

DISTRIBUTION AND WAREHOUSING



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Government Issues First Statistics on Goods in Public Storage

871 Warehouses Were 68.5 Occupied at Close of January

By KENT B. STILES

WITH the issuing of the first figures of their kind ever compiled—figures assembled by the Bureau of the Census of the Department of Commerce, covering total stocks in 871 public commercial warehouses and railroad warehouses in the United States at the close of January—the public merchandise warehouse industry secures its rightful place in the national statistical picture of Business America.

What the Government has long been doing for other leading industries, it is now doing for public warehousing.

The development is one that is of importance not alone to the storage industry. The very circumstance that the Department of Commerce has broadened its scope of statistical activity to include figures of commodities in storage—goods which are “in suspense” between the manufacturer and the retailer—is recognition of the Government’s conviction that public warehousing is one of the significant links in the chain of distribution. And reduction of the costs of distribution is one of Secretary Hoover’s aims.

The initial figures, published on the following page, are based on reports sent to the Department of Commerce by 538 concerns operating 871 warehouses. They are preliminary only—subject to revision to conform with reports received subsequent to March 12. As Mortimer B. Lane, editor of the Government’s *Survey of Current Business*, explains to *Distribution and Warehousing*:

“This compilation is subject to considerable later revision as additional January reports are received. February figures will undoubtedly include a larger proportion of the industry and it is quite probable that a revised statement for January will be issued so that the proper comparison can be made between

the two periods. It is our intention to show statistics for identical concerns throughout the entire period covered by the compilation.”

Beyond question the warehouse executive can spend a fascinating hour studying these preliminary figures. They disclose some interesting facts regarding business conditions in the industry at this time. When comparative tables, based on monthly returns in the future, become available, the facts that will be found behind the figures will be more than interesting—they will be vitally important, and not to warehousing alone but to executives in many lines of industry.

An analysis of the preliminary figures shows that the 871 warehouses contain an aggregate of 59,348,000 sq. ft. of floor space, of which 38,883,000 sq. ft. is used for general storage of merchandise.

Of this 38,883,000 sq. ft. being used, 26,639,000 sq. ft., or approximately 68.5 per cent, was occupied at the close of January.

In space occupancy, the West North Central section (Minnesota, Iowa, Missouri, the Dakotas, Nebraska and Kansas) stood at the top. In this section, 2,766,000 sq. ft., or 75.5 per cent, of 3,660,000 sq. ft. reported, was occupied.

The other sections as shown in the summary ranked as follows (the percentages being approximate):

Second, East North Central (Ohio, Indiana, Illinois, Michigan, Wisconsin), 74.4 per cent, representing 6,498,000 occupied out of 8,726,000 sq. ft.

Third, East South Central (Kentucky, Tennessee, Alabama, Mississippi), 74.1 per cent, representing 488,000 occupied out of 661,000 sq. ft.

Fourth, Pacific (Washington, Oregon, California), 70.7 per cent, representing 3,170,000 occupied out of 4,479,000 sq. ft.

THE United States Department of Commerce, in making public on March 12 the table which is reproduced below, issued the following statement:

"Sixty-nine per cent of the space devoted to general storage in public warehouses was occupied by merchandise at the end of January, as reported to the Department of Commerce by 538 concerns operating 871 warehouses.

"This summary, which inaugurates a monthly compilation of statistics on public merchandise warehousing, includes for each of the important States a statement of the space conditions and incoming tonnage.

"This summary is preliminary and subject to subsequent revision as additional reports are received."

Public Merchandise Warehousing January, 1928

Division and State	No. of Whses.	Floor Space (in Thous. Sq. Ft.) End of Month					Tonnage	
		Total	Not Used for Gen'l Merchandise	Used for General Merchandise			Rec'd During Month	Delivered on Arrival
				Total	Vacant	Occupied		
NEW ENGLAND:								
Me., N. H. & Vt.	10	272	20	251	110	141	65	469
Massachusetts	31	2,662	610	2,052	1,132	921	8,889	825
Conn. & R. I.	13	960	408	552	166	386	1,116	1,107
MIDDLE ATLANTIC:								
New York	89	12,479	4,390	8,089	3,117	4,972	41,058	4,616
New Jersey	47	4,345	1,431	2,914	800	2,115	24,403	638
Pennsylvania	25	1,305	319	986	322	664	49,420	2,526
E. NORTH CEN.:								
Ohio	36	2,403	645	1,758	297	1,461	20,761	2,818
Indiana	26	920	255	665	159	506	6,002	1,017
Illinois	62	7,800	4,149	3,651	842	2,809	50,723	6,227
Michigan	40	2,713	870	1,843	740	1,103	207,868	1,333
Wisconsin	38	961	151	809	190	619	6,256	3,287
W. NORTH CEN.:								
Minn. & Iowa	32	3,102	1,550	1,552	428	1,124	10,819	3,763
Missouri	12	1,023	119	904	228	676	9,321	2,340
N. Dak. & S. Dak.	10	243	65	178	27	151	2,045	466
Neb. & Kansas	53	1,576	540	1,036	221	815	11,731	2,736
SO. ATLANTIC:								
Del., Md., D. C.	15	1,259	147	1,112	370	742	9,834	628
Va. & W. Va.	26	1,059	140	919	191	728	3,673	4,830
N. Car. & S. Car.	10	600	277	323	129	194	41,438	539
Ga. & Florida	25	1,891	1,418	473	173	300	17,827	4,972
E. SOUTH CEN.:								
Ky., Tenn., Ala. & Miss.	26	1,083	422	661	173	488	11,041	2,368
W. SOUTH CEN.:								
Ark., La., Okla.	23	1,354	121	1,233	573	660	8,927	2,310
Texas	58	2,250	633	1,617	300	1,317	17,857	4,498
MOUNTAIN:								
Idaho, Wyo., Nev., Utah, N. Mex., Ariz., Montana	21	648	221	427	130	297	5,074	5,357
Colorado	22	651	253	393	117	281	5,093	1,792
PACIFIC:								
Wash., Oregon	32	1,236	316	920	297	623	12,121	1,822
California	89	4,453	894	3,559	1,012	2,547	14,126	2,903
Total for United States..	871	59,248	20,365	38,883	12,244	26,639	597,488	66,187

Fifth, Mountain (Idaho, Wyoming, Nevada, Utah, New Mexico, Arizona, Montana), 70 per cent, representing 578,000 occupied out of 825,000 square feet.

Sixth, South Atlantic (Delaware, Maryland, District of Columbia, the Virginias, the Carolinas, Georgia, Florida), 69.4 per cent, representing 1,964,000 occupied out of 2,827,000 square feet.

Seventh, West South Central (Arkansas, Louisiana, Oklahoma, Texas), 69.3 per cent, representing 1,977,000 occupied out of 2,850,000 square feet.

Eighth, Middle Atlantic (New York, New Jersey, Pennsylvania), 64.4 per cent, representing 7,751,000 occupied out of 11,990,000 square feet.

Ninth and last, New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut), 50.7 per cent, representing 1,448,000 occupied out of 2,856,000 square feet.

Some interesting percentages are to be derived also from studying the tonnage in and out figures.

The 871 warehouses reporting received a total of 597,488 tons of commodities. Of this volume, 531,301 tons, or 76% per cent, went into storage. The balance—66,187 tons, or 23% per cent—was delivered on arrival.

The East North Central section had the largest percentage remain in storage out of goods received—95 per cent, representing 276,928 tons, as compared with 14,682 tons, or 5 per cent, delivered on arrival.

The other sections followed in this order (the percentages being approximate):

Second, Middle Atlantic, 93.3 per cent, representing 107,101 tons, against 7780, or 6.7 per cent, delivered on arrival.

Third, South Atlantic, 85 per cent, representing 61,803 tons, against 10,969, or 15 per cent, delivered on arrival.

Fourth, East South Central, 78.6 per cent, representing 8673 tons, against 2368, or 21.4 per cent, delivered on arrival.

Fifth, New England, 76.2 per cent, representing 7669 tons, against 2401, or 23.8 per cent, delivered on arrival.

Sixth, West South Central, 74.6 per cent, representing 19,976 tons, against 6808, or 25.4 per cent, delivered on arrival.

Seventh, West North Central, 72.6 per cent, representing 24,611 tons, against 9305, or 27.4 per cent, delivered on arrival.

Eighth, Pacific, 72 per cent, representing 21,522 tons, against 4725, or 18 per cent, delivered on arrival.

Ninth, Mountain, 29.7 per cent, representing only 3018 tons going into storage out of 10,167 tons received; the balance, 7149 tons, or 70.3 per cent, was delivered on arrival.

As time goes on, many other comparisons of significance will be possible. Warehousing's figures can be checked in relation to car loadings, and in other ways. It is believed that the advantages of such comparisons must be obvious to the storage executive who is an earnest student of his business.

Public Relations and Warehousing

The Effects of Expedited Railroad Service on the Public Storage Industry

By A. LANE CRICHER

IN a previous article in this series we have noted that since the World War the railway freight service performance of this country has been increasingly efficient. Car miles per car day have risen from 22.4 miles in 1921 to more than 30. The index of traffic units handled per employee has gone steadily upward from year to year. Heavier carloadings have been stimulated by greater capacity equipment; longer trains have moved by locomotives of greater traffic effort. The absence of car shortages, the greatly expedited freight delivery, and the regular surpluses of equipment, all point to "why hand to mouth buying is possible."

There has been surely a new railway era ushered in. It is here to stay. This quickened pace will probably increase; invention may further assist it. Public demand, coupled with public support through the Regional Advisory Boards, will undoubtedly require at least the maintenance of our *status quo*.

This expedited freight delivery has a certain direct bearing on the warehousing of merchandise in process of distribution. A number of warehousemen have remarked to me during the past two or three years that their business is of an entirely different character from what it was

in the years preceding, or just after, the war. Distribution from the manufacturer direct to the retailer, and frequently to the ultimate consumer, is steadily growing, and some warehousemen are finding that small orders are accounting for as much as 60 per cent of their deliveries, or even more.

Many a merchandise warehouseman has, however, noticed that not only have his delivery orders covered smaller amounts, but also his incoming loadings were for smaller consignments.

Many have endeavored to seek out the specific reasons for this turn in events, but not all have been able to cope with the change in the situation. The result in a great many instances has been a new set-up.

Surely it cannot be expected that an individual or concern shall be able always to benefit from changes in the tide of events. In some cases, and by the grace of adaptability, it may be possible to take economic advantage or strengthen one's position during a series of changes. Even warehouses in excellent locations might experience a rapid loss in net income unless they were situated so as to adapt themselves readily to new factors.

GOODS which formerly were stored in large amounts in certain localities began not to be stored at all; products entirely new found temporary resting places awaiting the order of retail merchants. Goods which formerly were held many months began to turn over rapidly. Retailers and wholesalers alike commenced to buy the smallest amounts with which they could suffice. It was well known that another small amount could be had by either the second or third morning delivery after the order was given, as the railway service was entirely and completely dependable. In general, this, for many warehousemen, meant less warehousing. Others, however, found it meant a greater diversity in the service requirements, with a growth in the amount of their space leased. To others, again, it simply meant a more rapid turnover of certain lines, possibly coupled with a larger delivery order list.

Just a word or two about hand-to-mouth buying. It has been predicted that, should there be a sharp increase in market prices, stores of commodities would be held in warehouses awaiting price inflation. It is found as a general rule today, however, that when the price of a commodity does go up, even a small mar-

THIS is the third of a series of articles which Mr. Cricher is preparing for *Distribution and Warehousing*. The fourth will appear in an early issue.

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gin, that particular commodity is sold out just as quickly as the demand calls for it.

It is highly probable that only a rapid and marked increase in prices would bring the result of heavier holdings in merchandise warehouses. A slight increase in price levels would not only tend toward the storing of more goods, but at the same time this tendency would be offset by bringing on the market part or all of the reserve supply that may be held at time of the price increase. Demand for loans on warehouse collateral generally decreases with a market of rising prices.

With our quick railway service we find

there is storage of much smaller amounts of goods today to meet demand, while previously it was necessary, partially on account of slower railway delivery, to maintain large stocks. The relation of production costs to the sales price of a commodity, therefore, is much closer than heretofore. The time element has been greatly minimized between production and the placing of a commodity upon the market. With the time element at a minimum and stocks in a similar situation, price increases call for the sale of the little surplus stock on hand. The net result is a protection against either a big "boom" or a stinging "slump."

Production, timed to demand, generally supplies the needs as required. No enormous fortunes in huge stocks, produced months before time to market, now exist. Such stocks, and the market situation created by large surpluses of any certain commodity, accounted to quite an extent for the large peaks and valleys in the chart of prices of commodities in distribution. Frequently the warehouseman benefited from such a situation. But it is thought that the era of heavy long-time holdings has passed on.

Expedited freight delivery has shifted the burden of holding stocks from the retailer back to the wholesaler or jobber.

During the past year the writer has received, from reliable and responsible distributors and manufacturers throughout the country, a number of reports which have shown the shift of holding stocks not only from the retailer back to the wholesaler and jobber, but further from the jobber and wholesaler right back to the manufacturer.

And even here we find a further change. The manufacturers in a great many instances are holding less stocks in public warehouses than they held just after the war, 1920-1922. The fact that large orders on hand are not found on the books of manufacturers does not mean necessarily that a depression in business may be expected. Hand-to-mouth buying is in a large way responsible for this. Expedited freight delivery, therefore, has permitted a great reduction in the carrying of stocks throughout the country. This has directly affected the merchandise warehouse.

Another effect of the expedited rail service upon the merchandise warehouse in distribution has been the tendency to eliminate high cost warehousing. The necessity for the elimination of waste in carrying on business today obliges the manufacturer or distributor to use a warehouse where the service is best and the rates cheapest. Naturally then he studies the warehouse market to avail himself of these good and reasonable cost services.

As a result there has been, and there is still continuing, a change in the use of warehouses throughout the country by wholesalers and more especially by manufacturers and producers.

The marginal warehouse is finding it more difficult to hold its place.

In order to meet these current problems and changes, it is necessary that the warehouse industry as a whole and each individual warehouseman keep continually abreast of the changes in distribution.

One of the first of the things that have to be considered by the public storage industry in "setting its house in order" is the determination of certain facts regarding storage in certain districts. These facts should enable each warehouseman, or anyone interested in warehousing, to have a picture, or a basis of a definite sort, for judgment regarding the industry. The merchandise warehousemen are endeavoring now to do this. Many individuals and associations interested in this industry have approached the Department of Commerce in an endeavor to have monthly statistics* of the industry published. It is desirable to know the space filled and unfilled, and the tonnage moving in and out of the warehouses of the United States. Forms were prepared and letters sent out to all of the warehousemen of the country, asking that they cooperate in an endeavor to determine these basic facts regarding one of our most important industries.

This statistical project may be termed the second step on the part of warehousemen to "set the house in order." The first step came with the formulation

and adoption of standard forms and of standard contract terms and conditions by the warehousemen and associated industries about two years ago. There is now a standard form for each of the principal warehouse documents. On the back of all warehouse receipts, for not only the general merchandise, but also the cold storage warehouses throughout the country, one now finds the standard contract terms and conditions, determined in conference by the warehousemen with the bankers, railwaymen, shippers and other interested parties, under the auspices of the Department of Commerce.

Standardization of methods, and determination of facts regarding the industry, are important in the relation of the warehouse industry to the public generally. Such activities on the part of the industry create a greater public confidence. Publication of statistics regarding storage such as the industry is now contributing will certainly further enhance that confidence.

In order for a warehouseman to meet the present hand-to-mouth buying situation and to distribute goods in accordance with the changing economic conditions, he must prove to the manufacturer or jobber just where money may be saved in the distribution of commodities on a large scale through his warehouse. Consideration must be given the expedited rail service, but at the same time there is always the factor of the spread between the carload and less than carload rate, which will permit, in a great number of instances, the breaking down of carload lots at central points for distribution in lesser quantities to nearby places.

The manufacturer naturally desires to place his goods in the hands of the public when and as desired by the purchaser. He endeavors at all times to get the best results from his campaigns of advertising and in so doing he takes every advantage of freight rates that is possible. Goods on hand for spot delivery are necessary in order to do this. At the same time the manufacturer requires that the services available at the merchandise warehouse be such that he may have his commodities placed as readily in the hands of the public as those of his competitors.

The distribution warehouse is a result of these factors.

The storage warehouse is passing.

Leaders in the warehouse industry are finding more and more that financing of commodities in process of distribution is growing in importance. Two large warehouse concerns are now seriously engaged in working out plans whereby a man may store his goods in large quantities, borrow substantial amounts upon warehouse receipts issued for these carload quantities, and thus eliminate the item of frozen assets.

Such financing service in connection with merchandise warehousing tends directly to increase the use of the warehouse as a distributing agency.

A manufacturer of a nationally advertised product may store carload quantities of goods at central points; borrow

money upon these goods; and, upon distribution of the commodity in smaller amounts throughout the territories served by the centralized warehouses, take up his obligations.

Such financing service is another development in the elimination of waste in production. Seasonal commodities which ordinarily are produced in large quantities during certain periods of the year may be manufactured at less cost with regularity of employment and a minimum of manufacturing equipment when the producer is assured of a warehouse financing service. He is enabled to manufacture readily and steadily. He is enabled further to distribute easily, quickly, and when demand requires quantity he can supply it.

The question has been raised several times that there are too many warehouses. In the same breath one frequently hears that a sufficient number of merchandise warehouses does not exist in certain centrally located areas.

There are a number of warehousemen today who have met in a substantial way the conditions that are imposed upon them by the changing economic conditions. They offer all the space and facilities necessary to serve properly the area in which they are located.

On the other hand there may be certain localities where there is not a sufficient amount of properly located warehouse space, offering water terminal and railway siding space.

In some localities there may be an oversupply of warehouse space; in others, therefore, there may be an undersupply.

Individual surveys of the principal distribution centers of the country are necessary to bring out these facts. The warehousemen are endeavoring to determine this situation, and the first step has been made in the statistical compilation now in progress.

The high cost of distribution has been heard on every side for a number of years. Many combinations of large concerns have been made in order to cheapen the cost of distribution of similar products. Scientific warehouse distribution service, wherein cost accounting will play an important part, should be considered seriously by each individual warehouseman. There is the direct tendency now to distribute from the producer to the retailer, eliminating insofar as it is at all possible the middlemen services.

The future of warehouse distribution has been affected a great deal by the efficient and expedited rail service of our country. Estimates of this increased efficiency in railway distribution vary from 40 to 60 per cent since 1920-1921. One may consider that approximately 2,000,000 freight cars are engaged daily in carrying goods, being loaded or unloaded with merchandise. Multiplying this number by twenty-five or twenty-six tons to a car at an average value of around \$60 a ton, one finds that between \$3,000,000,000 and \$4,000,000,000 worth of goods is continually in process of transportation. If the saving in time of transit of these goods by the rapid and reliable rail service has been from 60 to

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*See page 8.

Public Warehousing and Economic Distribution

Number 37

Port Warehouses

By H. A. HARING

IF the problem of terminal warehouses is "troublesome," the question of warehousing at the ports is doubly so. The port cities are fewer in number but with nearly every one of them the warehouse situation is acute and growing worse.

Every city in the country is more or less of a railway terminal. Each of the 200 major centers is the possible location for a terminal warehouse, although not all of these may be for general merchandise; they may be for cold storage, for grain, for cotton, for wool, for tobacco, for sugar, for rice, for naval stores, for a dozen commodities. But of port cities we have about sixty, and they are close enough together to become a factor in distribution for all sections of the country's perimeter excepting only that long stretch on the Canadian line from Minnesota to Puget Sound.

And when we mention "port cities" it is well to remember that all ports are not necessarily on the ocean. All the cities of the Great Lakes are ordinarily thought of as inland because their commerce is with one another rather than with some point on the foreign side of those waters. Even on the outer rim of the rotund boundary of the country some ports lie inland: Houston fifty miles, Port-

land 100 miles from the Pacific and New Orleans the same distance from the Gulf, Baltimore and Philadelphia, twice that distance from the Atlantic. Montreal, on the Canadian side of the international boundary, lies 1000 miles inland; and the waterways projects, of which we hear so much, contemplate making ocean ports of our Great Lakes cities more than 2000 miles from salt water.

Location on tide waters does not, of itself, make a port in these modern times. In the bygone ages when men accepted what Nature gave them a port was a city on the sea. But, for us of this century, natural advantages are not taken as final. We know that volume of commerce makes a port city, and, where the commerce exists, America upsets Nature, using for that purpose the steam shovel and the stick of dynamite. Thus we make rivers run upstream; we carry Los Angeles twenty miles to the ocean; we bring the Gulf fifty miles to Houston; we blast the jutting rocks from a dozen river channels in order to entice ocean-going vessels to a dozen cities; Augusta now clamors to be put on a parity with Savannah, although Augusta lies 125 miles upstream on the Savannah River; fishing towns all the way from Maine to Texas are asking Congress to transform them into beehives of commerce.

Public Moneys for the Ports

UNLIKE other commercial developments, the deepening of waterways is accepted as a fit matter for the public treasury. Congress retains control of the waterways, under our Constitution, and no city however tiny and unimportant hesitates to do a bit of log-rolling toward a Congressional appropriation to make it a "port".

The Federal treasury deepens the channel. The State, or the city, then enters and, by a bond issue flotation, builds the docks and improves the land approaches to the harbor. Anyone can name off the States and the cities that have financed port improvements; they total almost sixty; the same number as the ports on the roster.

It is known that water-borne com-

merce is the cheapest. It is assumed that lower freights are good for the country. Therefore comes the conclusion that the public treasury is justified in promoting water transportation. When Congress or the Legislature furnishes the funds, no one stops to count the cost as a private enterprise would do; no account is taken of interest and depreciation, needlessness of expenditure, ratio of commerce to investment, or anything of the sort.

Thus the State of New York would have been tens of millions richer today if it had paid the railroad freight on every ton that has moved through the enlarged Erie Canal and saved the cost and the upkeep of the project; the United States would probably be hundreds of millions ahead if it had done the same for all the commerce on a

hundred "rivers and harbors" that have been "improved"—with their channels filled again with silt and the docks rotted before ever a cargo is seen. Were it not for bringing down the ire of "local interests," we might name city after city today in a similar situation.

None the less, despite all this misplaced enthusiasm for waterways development, it is thoroughly apparent that the United States has not yet seen much more than a beginning of what is to be. Inland waterways and port cities are to witness a greater development, much of which—if not the whole—will be financed with public moneys.

We cannot alter the shape of our country. It is "as rotund as a walrus on feet," with few indentations that make natural harbors of forty-foot depth. But good ports will, just the

Public Warehousing and Economic Distribution

same, come to us, if not by lovely Nature then by the lowly dredge. We shall, in a word, meet by man-made methods the demand for ports for our growing exports.

Economic Need of More Ports

THE economic necessity for more ports becomes evident when one studies the map of Europe, and, although men dislike maps as they do dictionaries, no one can understand port questions unless he loves maps.

Europe, as a map will show, is about the size of the United States. Its contour is, however, the opposite of ours. Everywhere it is cut and indented by seas and bays and deep rivers. A port for ocean-going vessels lies within 200 miles of every acre of farm land in Europe, excepting only in Russia and even there the maximum distance is only about 300 miles.

That last paragraph is the key to Europe's supremacy in world markets.

Contrast with that condition our own agricultural sections, 1000 miles from seaboard as an average and 2000 miles for our greatest crop-producing States. Even little-known Argentina is so favored with harbors that every farm is within 200 miles of a commercial port—and this is no small factor in Argentina's wheat and hides and wool driving ours from the world markets. What is true of farm products is equally true of manufactured goods. Indeed, with the exception of the United States every great manufacturing center of the world stands at, or close to, a big port.

The population and the commerce of this country will demand fifty ports in the next fifty years, unless we are to relax in our exportation of farm products and manufactures. No one, for a moment, believes that we shall forego foreign trade; and, therefore, the development of many ports is inevitable.

New York is, at the present time, the greatest port in the whole world. Measure the volume by whatever standard you will—dollars, bulk, tons, diversity of goods, number of vessels entering and departing, ports to which and from which, freight or passengers—the answer is the same: New York leads.

Then comes a shock to one who likes those superlatives "greatest" and "biggest." Europe alone has eight or nine ports each with greater volume than our second port—(Liverpool, London, Rotterdam, Antwerp, Hamburg, Bremen, Havre, Marseilles, Copenhagen)—and there are easily another half dozen in other parts of the world. Our "big ports" (next to New York) such as Philadelphia, Baltimore, New Orleans, Galveston, Los Angeles, San Francisco and Seattle rank in the class with Danzig, Odessa and Amsterdam. If to this roll we add the other important Amer-

ican ports (Boston, Norfolk, Charleston, Savannah, Jacksonville, Mobile and Portland) we have a total of fifteen American ports as being the ones of consequence in foreign trade. Great Britain alone, with her small area, has more, and handles through her ports more than twice our total tonnages. Hence British supremacy in world trade.

Coastwise Trade

ALL discussion of foreign trade is, however, difficult for another reason. Europe is approximately the same size as the United States. The commercial portion of Europe is exactly the size of our country. But Europe has 36 or 38 "countries"; we are "one."

Anything that is shipped in Europe the distance that Boston is from New York crosses a boundary line (there are possible exceptions of course). The distance from New York to Pittsburgh would cross several boundaries, and from New York to Chicago most of the 36-38—provided these shipments went overland. But, as a matter of fact, the day-to-day interchange of goods that goes on in Europe involves the crossing of boundaries. The goods, therefore, figure as "exports" of one country and as "imports" of another. Most of the coal used in France, and all that Italy burns, swells the tonnages of "foreign trade." So also does nearly the iron and steel of all Europe, all the fertilizer, six-tenths of the grain, every bale of the cotton, nine-tenths of the wool, 85 per cent of the petroleum and petroleum products, 91 per cent of the tobacco and tobacco products, and so on, *ad infinitum*.

With us, on the contrary, all such tonnages are domestic trade. For one illustration, think of the immense tonnages of coal that move "up" the Great Lakes, of the iron ore and limestone that come "down." Were our country cut up into as many independent "countries" as is Europe, our Great Lakes tonnages would augment our totals of foreign trade. The same statement applies to the great movement of cotton from southern ports to New England; to the water shipping of petroleum out of Galveston and Los Angeles to northern ports, and the contrary water movement of refined products of that petroleum; to the lumber shipments from Puget Sound to eastern ports; to coal from Baltimore into New England on schooners; it applies to water-borne volume from one American port to another.

If, therefore, we were to add together our "foreign" and our "domestic" trade that moves by water on coastwise routes we find that the total (either in dollars or in tonnage) is surprisingly close to the totals for the 36 or 38 European "countries." Our population is about one-sixth that of Europe. We are, ac-

cordingly, with one-sixth the population enjoying a water-borne volume, of all sorts, approximately equal to that of Europe; although, as already stated, when speaking of "foreign trade" it is easy to be misled, owing to the fact that Europe is broken up politically whereas we are one nation.

It is when one remembers this last fact that the inadequacy of our port developments becomes striking. New York does the bulk of all the business. With the highest cost for shipside handling, with a staggering expense for harbor lighterage, with the port surrounding the city rather than the city encircling the harbor—New York yet remains a port without a peer in this or any other country. The very fact of New York's greatness beclouds the lack of other adequate ports in this country. We view our total exports and our total imports with such pride that we overlook the fact that the vast bulk of it goes through a single port.

Traffic Makes Ports

NEW YORK maintains her supremacy for one, and only one, reason. New York is the meeting place for commerce for all America. That port offers a "balanced" tonnage, which phrase means that an incoming vessel is assured of an outgoing cargo; for every thousand tons of imports may be found 1000 tons of exports. With vessels, as with railroads, an "empty" backhaul wipes out the profits. Vessels, therefore, go to those ports which offer a return cargo. Should return cargoes not be available, the one-way freight must pay enough to offset the loss of a return in ballast, and such rates are prohibitive.

Without being too harsh in the assertion it may be stated that most of our 60 ports have gone on a false assumption. They have assumed that if facilities be provided—deep water, docks, rail connections—vessels from all the world would crowd the harbor.

It is of course true that without port facilities business cannot come. But it does not follow from this premise that merely providing the facilities will bring the tonnage.

The false assumption has caused much grief and disappointment. "Port development" means not so much a corps of engineers and huge construction as it does the "building up of freight tonnages." To develop a port's traffic is much like undertaking a program of industrial development for a city: rousing meetings and song leaders fall short of results. A long program of effort is required that shall take hold first of one source of freight and then another, slowly building cargoes for the port and at the same time finding a

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market for what ships will bring into the port.

Commerce, then, makes a port. Ships will go anywhere to get paying cargoes. They will go as far inland as water will float their keels provided, only, that full-cargo discharge (or loading) be available. To "break bulk" gnaws into the profits of a ship. The competition of ports, accordingly, becomes a competition in assembling cargoes; and, for every outbound cargo, the competing ports must arrange to absorb an inbound cargo of equal bulk. Any port that is enterprising enough to provide this balance of cargoes will become quickly a great port. The seas are covered with more vessels than find cargoes. There is over-production of bottoms in the whole world. Even were there a shortage, engineers and builders are ready to construct more. What all are crying for is more freight to carry at a profit.

Herein again is emphasized the strength of New York as a port. Every other port is fighting to balance its tonnages.

Railroad rates "for export" arise in this manner. They are merely an effort of the carriers to divert from New York enough freight to give the other ports a balanced business. It is not enough for a port to offer low costs in one direction, for the reason already given: vessels must be assured full loads both directions.

We have not been able, in this country, to develop our secondary ports (remembering that "develop" means balanced cargoes rather than mechanical facilities) to the point that total costs are low enough to overcome the advantages of New York with its wonderful commerce. Any number of ports offer low rate combinations, in a theoretical manner. Low rates are at times available for specific shipments, booked for a special trip, where cargo spaces happen to fit the needs, but this is quite another thing from a port being able to offer, every week of the year, a low combination of through rates for any sort of product to any port in the world (or any group of ports). "Combination" of rates, of course, means railroad freight to the port, all handling charges through the port, and ocean freight to destination.

It is probable that costs for handling freight through the port of New York are \$20 to \$30 higher than they ought to be for each freight car of goods. This excess is paid for every carload of import and export freight. It is "absorbed" in the through rate (rail freight plus port charges plus ocean freight)—"absorbed" in effect by the ocean carriers because, with the wonderful commerce of New York, they make more profits by clearing at that port

than at any other. The availability of balanced cargoes, in a word, is so great a boom to vessels that \$20-\$30 per carload, or \$1-\$1.50 per ton, becomes a mere nothing.

Even with this handicap, New York is the greatest port in the world. It handles, moreover, probably twice as much commerce as any other port.

This is the factor to be met by competing ports. In a general way, the ocean freight rate from Europe is the same to all American ports from Montreal to New Orleans (a statement subject to modifications for some minor items). Other ports, therefore, must see to it that their port charges, plus freight to interior points, are held under New York. A "differential" of one cent per 100 pounds becomes 20 cents per ton (or 22.4 cents per ocean ton). Every fraction of such differentials in the railroad freight is contended for by the port cities. These pennies make a good showing "on paper" but they avail little if the goods reach the port and cannot find a bottom or if they must be held sixty days. Sixty days means a "season" with much merchandise; often it means loss to a construction contract in some foreign land.

A sketch showing mileages to ports of the world is meaningless. Ocean rates are not distance rates. Ocean rates are based on return cargo, demurrage time discharging and loading in the port and full cargo without "rebuilding the ship."

Commerce, not advantages, makes ports. This we repeat. We repeat because cities mislead themselves into thinking that magnificent construction will create volume for the port. Civic pride invites a slap every time this mistake is made. Everywhere the experience has been the same. Immense facilities are built; business fails to materialize; then hard-headed sense dawns on the community; to solve the problem, a competent manager is employed who attacks the slow job of "developing the port" by building up commerce to go through its port. This task is one of growth. However cleverly competing ports camouflage the situation by statistics of various kinds, the fact remains that the competition for port traffic is severe.

Terminal Absorption

THE railroads, too, factor large in ports. Except for a few ports—and in this New York again is the outstanding exception—each of our ports has been fostered by one railroad (rarely two). A single rail carrier has sought to build up a city as a port in order to obtain the rail haul of what comes in and goes out. Even a superficial study of our port cities shows this situation. It is evidenced by the tariffs, by the ownership of port facilities, by the fact

that the rails of only one road reach the docks without excess costs in some form or other. Often this excess appears in the "absorption" of port charges in the rate for rail-line hauls; or in the fact that one railroad will absorb the costs at one port but not at others.

The practices of the carriers of giving free port terminal services to traffic moving over their rails, but not to competing traffic, or of giving terminal service for one port below costs at other ports, have resulted probably in large losses to the railroads so far as their ports are concerned. These losses they assume in order to obtain the rail haul. The absorbed port charges amount to differentials to shippers over certain roads.

Privately-owned port facilities can hardly exist under such competition. The magnitude of the problem is possibly indicated when it is remembered that between 4 and 5 per cent of the total railroad investment of this country is devoted to port terminal facilities—almost \$1 in each twenty of our huge railroad capitalization. Thus important has it been for the railroads to control traffic moving through the ports in order to reap the profits of transporting it to and from the port by rail. This would not be the case if this country were possessed of ports as numerous as those of Europe, where every acre of farm land and every factory smokestack is within 200 miles of a good port. The absorption of port terminal charges, in effect, burdens all freight of the interior, because freight rates, as a whole, are obliged to stand the losses of the ports.

For privately-owned facilities the result is disastrous. Profits are swept away in the efforts to compete. Thus has resulted our present condition in the ports that private facilities are disappearing. Railroad-owned and railroad operated port facilities alone have survived. Our ports tend to become ports of a single carrier.

Only those ports where public control of the facilities has come about are free. New Orleans offers a fine example, although that city does not, happily, stand alone. In such cities the port facilities are located on a railroad belt line or under some switching arrangement that permits every carrier in the city to enter the port; every railroad reaches every dock on equal basis. The port terminal charges are, furthermore, dictated by the port authority, not the single railroad in possession. These charges apply to all freight without discrimination. If one railroad chooses to absorb the charges its so doing is apt to be followed by the others, so that the balance of equal favor is not upset.

Terminal charges, under such conditions, tend to be assessed on the basis

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of reasonable cost of the service, although only too often public-owned facilities omit interest and depreciation in their cost accounting.

The whole problem of port terminal absorption is laden with controversy. Even the Interstate Commerce Commission has been slow to alter long-established customs. But it is apparent that of our sixty secondary ports the larger number will have only limited development until they broaden out from the control of a single railroad. The growing ports, the lusty youngsters of the seaboard, are the public-owned facilities, bearing in mind that such ports as Boston, Philadelphia and Baltimore have been long favored in freight rates and blessed with strongly-knit trade customs.

Port Warehouses

IN every port of the world the need has developed for warehouses. If we go back into history we find that the first warehouses were built in the port cities of Italy, during the centuries when trade was developing with Asia and China via the Mediterranean.

Port warehouses are inseparable from the port. A sea-going vessel transports such large quantities of goods, its own value is so great, and the expense of lying at port is so huge, that time of loading and discharge must be minimized.

Detention at port is reduced by use of warehouses. In the warehouse, adjacent to the dock, is assembled the cargo of out-bound merchandise. Here it remains, as in a reservoir, in readiness for quick loading. At the further end of the voyage the inbound cargo is unloaded again into a dock warehouse, which once more becomes a well-filled reservoir, thence to be distributed through all the agencies of transportation.

The port warehouse is inseparable from port commerce.

The theory of a port is that rail connections with every railroad, and ideal switching service, shall make it possible to bring every railroad car alongside any steamer, regardless of which pier gives it a berth—in other words, that carload interchange between railroad and vessel shall be made without trucking or intermediate handling of any sort.

Such a theory becomes, however, a mere ideal. In practice it is wholly impossible. Strikes and embargoes prevent. In addition to these emergency causes lies the more general cause that no shipper can control all the delays that prevent his consignments of goods making prompt connection with the ship on which space is booked. For inbound goods, too, orders for movement are not always possible at the moment of docking.

Warehousing is necessary for all

goods that have missed the ship; for all that must await disposition; for proper assembly of lots of a single shipment. Even in the port of New York, where transit turnover is best, the average time elapsing between arrival of a shipment by rail and final delivery to steamship is more than two weeks. One report of the Port Authority makes it three weeks—time consumed for such necessary steps as switching, lightering, trucking, repacking, preparing consular invoices and shipping documents. In other ports this period grows longer, because sailings are less frequent.

Warehousing, under such circumstances, becomes necessary. Even with generous free-time allowances before railroad car-service accrues, the cost of holding goods in cars quickly becomes prohibitive.

Yet the steamship companies have found the operation of warehouses especially burdensome, not only in this country but throughout the world in general. The companies are primarily carriers, not warehousemen.

Their cargoes have become huge in sheer bulk. They have become even greater in variety. To provide a certain amount of dock and wharf storage for a brief period is an unavoidable obligation—much like the freight house of the railroad—but under business methods of the present time goods for export often reach the port months before cargo space is booked or before the final portions of a single consignment are ready. Imported cargoes, too, not infrequently require a full twelve months for final distribution. To house this accumulation on dock or wharf is clearly impossible.

The risk, also, becomes an item for consideration. The contents of a dock or wharf present innumerable hazards of fire. There is the ever-present danger that articles, harmless of themselves, may become highly inflammable when near other articles or when accident breaks open a container. More than fire, however, are the risks of deterioration and the hazards of one doing damage to another in the open storage which alone is possible on a dock. Wherever the steamship carrier is forced to hold goods for a longer time it is done through a warehouse, either one operated by themselves under public charter or through an independent public warehouseman. The shipping documents provide for storing in public store at the risk of and for account of the owner, after a certain free time, precisely as the railroad bill-of-lading contemplates.

Where cities have undertaken port development the general plan often has included public warehouses. New Orleans is a well-known example, accompanied by other port cities on both coasts. The railroads, too, do public

warehousing at railroad-controlled ports. Wherever the warehousing charges are absorbed into the through-rate, as with other port charges already discussed, the warehouse thus operated becomes a sore spot in rates. "Rates," as quoted in dollars, have often an allurements that proves to be misleading, and this fundamental holds as true of warehouses at the ports as in the jobbing district of downtown.

With the transportation companies, rail and water alike, the port warehouse is a "transit" facility. The primary purpose is to facilitate movement between land and sea. Nowhere is it their first aim to serve as an agency for distribution in the sense that public warehouses, more and more, dovetail into the selling side of business. The transportation companies seek rapid movement, turnover if you will, into and out of the vessel's hold. They want brief storage periods, and, chief of all, they want movement of the goods in unbroken lots.

Unless, therefore, the transportation company's port warehouse has been specially organized more as a warehouse than as a transit shed it fills but one of the many functions of a modern warehouse. Where properly organized, no difference is noted any more than with the fine railroad warehouses in Chicago and a score of other cities: they are warehouses, not freight sheds.

Publicity for a Van

When the Terminal Warehouse Co., Little Rock, Ark., recently inaugurated its household goods department it offered a prize of \$20 in cash for the most nearly correct guess as to the weight of a new van, with \$5 as the second prize.

The van was placed on exhibition at Third and Broadway Avenues and the contest was advertised in the daily newspapers to draw attention as well to the company's new branch, which occupies one floor of the warehouse.

By means of this plan the Terminal company impressed on the public that the van was specially designed and padded for service in moving furniture and other household goods in local and long distance hauls.

Earle Succeeds Father

Ralph Earle, who was vice-president and operating executive of the Pennsylvania Warehousing & Safe Deposit Co., Philadelphia, has been elected president, succeeding his father, the late George H. Earle, Jr.

C. William Funk, president of the Finance Company of Pennsylvania, has been elected a director of the warehouse firm.

The Uniform Warehouse Receipts Act as Interpreted in Court Decisions

Third of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

A LARGE proportion of the present day litigations involving warehouse receipts is the result of warehousemen's lack of knowledge pertaining to the higher Court decisions interpreting the provisions of Section 2 of the Uniform Warehouse Receipts Act, which provide:

"Warehouse receipts need not be in any particular form, but every such receipt must embody within its written or printed terms,—

"(a) The location of the warehouse where the goods are stored,

"(b) The date of the issue of the receipt,

"(c) The consecutive number of the receipt,

"(d) A statement whether the goods received will be delivered to the bearer, to a specified person, or to a specified person or his order.

"(e) The rate of storage charges,

"(f) A description of the goods or of the packages containing them,

"(g) The signature of the warehouseman, which may be made by his authorized agent,

"(h) If the receipt is issued for goods of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership, and

"(i) A statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien. If the precise amount of such advances made or such liabilities incurred, is, at the time of the issue of the receipt, unknown, to the warehouseman or to his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof is sufficient.

"A warehouseman shall be liable to any person injured thereby, for all damages caused by the omission from a negotiable receipt of any of the terms herein required."

Character of Receipt

GENERALLY speaking, a negotiable warehouse receipt must have been issued by a person or firm engaged in the business of warehousing (183 F. 96). However, any form which indicates its negotiability is valid, although, of course, the use of a regular and recognized form eliminates the possibility of litigation from this source.

In the recent case of *Peterson v. Haynes*, 134 S. E. 775, the higher Court, in explaining the legal nature of a negotiable warehouse receipt, said:

"A warehouse receipt is a mere symbol of property. It is a shadow of the absent substance. When it passes from one hand to another it is only symbolic of the property it represents. If it represents no property, its holder has nothing but a scrap of paper."

Therefore, failure by a warehouseman to comply with the requirements of the Uniform Warehouse Receipts Act, when issuing a warehouse receipt does not render the receipt void, particularly if the receipt is in the hands of a holder in due course of business (187 Ill. App. 173).

Moreover, although the law provides that a warehouse receipt issued for goods not in storage is void, the warehouseman is liable to any innocent person who holds

a fictitious negotiable receipt (116 P. 287).

Also, it is interesting to observe that warehousemen are bound to exercise care to know that warehouse receipts are issued to the party having proper authority to receive them.

For instance, in a recent case (249 P. 1032) it was disclosed that the consignee and owner of a shipment of merchandise, after arranging with a warehouseman to store the goods, intrusted the bill of lading to an employee who had instructions to take the receipts in his employer's name.

However, the employee took the receipts in his own name, and, at a later date, unbeknown to his employer, withdrew more than \$30,000 worth of the merchandise.

The owner of the goods sued the warehouseman for recovery of the value of the goods on the grounds that, as the owner had made arrangements for storage with the warehouseman, and as the bill of lading was under the owner's name, the warehouseman was without authority to issue the receipts to the employee.

The warehouseman attempted to avoid liability on the contention that the owner was negligent in intrusting the bill of lading with the employee. However, the

court held the warehouseman liable, and said:

"From the record, there can be no doubt that Francis (employee) knew that he had no authority or right to have the warehouse receipts issued in any other name than that of the consignee in the bill of lading. Respondent (warehouseman) had notice of the fact that the sales company was the consignee, and, unless authorized by some act or conduct of the party or parties doing business under the name of the sales company, was not justified in issuing warehouse receipts in any other name."

Moreover, warehousemen should exercise great care to know that an employee has proper authority to receive receipts issued in his employer's name, because if such receipts are intrusted with an employee who forges his employer's name and obtains possession of the goods, the warehouseman is liable, unless he can prove to the satisfaction of the Court that the employer by words, written instructions or acts lead the warehouseman to believe that the employee had proper authority to receive the receipts.

For example, if a customer has been accustomed to permitting an employee to receive receipts in the former's name, the warehouseman is not liable for un-

authorized acts by which the employer is defrauded. Or, if the employer verbally instructs the warehouseman to deliver receipts to a specified person, the latter is relieved of liability.

However, it is best from a business safety standpoint for warehousemen always to require written instructions from customers who require warehouse receipts to be delivered to an employee or agent. This rule is particularly true where the owner requests the receipts to be issued under another's name.

On the other hand, while provision No. 2 of the uniform Act distinctly specifies that goods, for which a *non-negotiable* receipt is issued, must not be delivered to any person except the owner, or to one having written authority from the owner, a recent Court held that a warehouseman is not liable for delivering the goods upon a *verbal* order given by the holder of the receipt.

In this case, *Citizens v. Compress*, 294 S. W. 331, the Court held that a provision in the Act by which a warehouseman may deliver goods on a *non-negotiable* receipt to *any person lawfully entitled to receive them* supercedes the provision No. 2, particularly where it is shown that the owner did any act authorizing delivery and upon which the warehouseman is legally entitled to rely. This Court said:

"The section (No. 2) does not provide that the warehouseman is justified in making delivery *only* on the written authority of the party entitled to possession; and to give it that meaning would open the door to fraud by enabling an unscrupulous owner to repudiate his express verbal authorization, and thereby reap the beneficial fruits of his own wrong."

Negligence of Warehouseman

OF course, this latter construction of the law is *not* applicable to *negotiable* receipts because, if it were so, in many instances innocent holders would necessarily suffer loss.

In other words, the law is established that a warehouseman who negligently or purposely, or unintentionally, while exercising care, issues negotiable receipts is responsible for loss sustained by innocent holders of the receipts. Moreover, he is liable to innocent persons who hold negotiable receipts where the property represented by the receipts is delivered without surrender of the receipt.

For illustration, in *Williams v. Storage*, 220 N. Y. S. 124, a warehouseman delivered goods to the original owner upon a promise that the receipt would be surrendered soon. However, the customer failed to surrender the receipt. Many years later it developed that the original holder of the receipt had delivered it as collateral for a loan to a man named Williams who sued the warehouseman for the value of the goods when he learned that the goods were not in storage. The warehouseman attempted to avoid liability on the grounds that the holder of the receipt was negligent in not presenting it sooner, and further, that the statute of limitations for filing

a suit on a contractual obligation had expired. However, the Court held the warehouseman liable, and said:

"The warehouse company alleges that the plaintiff (holder of receipt) failed and neglected to present the warehouse receipt . . . and failed and neglected to make demand for the merchandise described in said warehouse receipt within a reasonable length of time. . . . The right of the plaintiff to present the warehouse receipt and demand the goods stored was a continuing right, against which no statute of limitations ran."

Also, it is important to know that a warehouseman may be liable for negligently issuing *non-negotiable* receipts. In other words, a warehouseman must disprove, beyond a reasonable doubt, a customer's contention that *non-negotiable* receipts which he holds represent goods delivered for storage.

For example, in the recent case of *Small v. Slater*, 257 Pac. 625, it was disclosed that the owner of goods upon delivery of the same to a warehouseman for storage received usual receipts. Later when he presented the receipts it was discovered that a quantity of the merchandise represented by the receipts was missing. The owner sued the warehouseman, who proved that the goods in controversy were never received, and that the receipts presented in evidence of the customer's contention were duplicates. In view of this evidence the Court held the warehouseman not liable.

Custom Is No Defense

IN many localities, warehousemen have established certain customs that are generally recognized as valid methods of transacting warehousing business.

However, it is important to know that statute laws *always* prevail over customs, although the latter are of long usage.

In the very recent case of *Farmer's Bank v. Ellis*, 258 Pac. 186, a warehouseman was held liable for a large amount of money simply because he transacted business in accordance with a long established custom instead of following the provisions of the law.

The facts of this case are that a customer stored merchandise in a warehouse and received the usual negotiable warehouse receipts.

The customer indorsed the receipts to a bank as collateral for a loan. Later the former had opportunity to sell the goods and explained the situation to both the warehouseman and the bank officials who *verbally* authorized the warehouseman to deliver the goods to the customer.

Also, it had been customary under these circumstances in this locality for the warehouseman to permit the customer to take possession of the goods, while the bank still retained the receipts, with the understanding that as soon as the customer received payment he would settle with the bank, which would then deliver the receipts to the warehouseman.

The customer failed to pay the bank from the proceeds of the sale, and the latter sued the warehouseman, who

denied liability on the grounds that the bank was informed of all phases of the transaction and that it was customary to transact business in this manner. However, the Court held the warehouseman liable, and said:

"We take it that the object of the law, as shown by its many provisions, was to see that each step taken, beginning with the deposit in the warehouse and the issuing of the receipt to the final delivery of the goods by the warehouseman to the holder of the receipt, should be evidenced by some statement in writing, so as completely to preclude any attempt by an unauthorized person to get possession of the property."

Therefore, it is quite apparent that this warehouseman might have relieved himself of payment to the bank for value of the goods if he had simply obtained a written authority from the bank to deliver the goods to the customer.

Still another common source of litigation is where the holder of a negotiable warehouse receipt contends that the quantity or quality of the goods, delivered on presentation of the receipt, is not equal to that described in the receipt.

If the character of the merchandise represented by the receipt is such that the warehouseman may have determined, by the application of ordinary care, the falsity or incorrectness of the receipt when the goods were accepted for storage, an innocent holder of the receipt is entitled to recover his loss from the warehouseman.

However, the *original* holder of the receipt is barred from recovery upon the introduction of evidence by the warehouseman that the receipt was mistakenly issued.

And if the merchandise is packed in containers, the warehouseman is *not* bound to open the containers to determine the contents. He may without liability issue a receipt which specifies the number of containers and the contents as stated *by the customer*. The warehouseman is not liable if at a later date the holder discovers that the negotiable receipt is misdescriptive, and that the containers do not contain the merchandise described.

For example, in *Hale v. Dock Company*, 29 Wis. 482, a warehouseman was held *not* liable for losses sustained, under the foregoing circumstances, by an innocent holder of a warehouse receipt. This Court, in part, said:

"An offer by the warehouseman to deliver to the plaintiffs (holders of receipt) the same parcels received in store and for which the receipt was given, was, and is, a discharge of the obligation of the warehouseman, and full satisfaction and performance of the contract on its part. . . . Now it seems to us that the warehouseman may well be estopped from denying the truth of the statements to which it gives credit by its signature, so far as those statements relate to matters *which are or ought to be within its knowledge or the knowledge of its agents*. But that in respect to things not open to inspection and visible, it ought *not* to be concluded by the description of the property in the receipt."

Receipt Not Void on Technicality

CONTRARY to the opinion of the majority of persons, mere delivery of a receipt without indorsement, transfers title to the goods, if such is the intention of the parties.

For instance, in a recent case *National Union Bank of Reading v. Shearer*, 225 Pa. St. 470, in considering this phase of the law, the Court said:

"It seems to be the general doctrine of American decisions that, apart from any statutory provisions, the warehouse receipt, like a bill of lading, is the symbol or representative of the goods it is issued for, and that, whether drawn to the owner's orders, or to bearer, or simply to the owner, its delivery by the latter is effective as a symbolical delivery of the goods themselves, with or without indorsement. . . . The principle is that for all purposes the transfer of goods in storage is complete upon delivery of the receipts with intent to transfer title to the goods represented thereby, that an indorsement of the receipt adds nothing to the effectiveness of such delivery, and that the statute, whilst permitting, does not require, transfer of warehouse receipts by indorsement."

The records of other higher Court litigations disclose that indorsements by means of rubber stamps, initials, or other marks, legally transfer title to negotiable warehouse receipts if, when the indorsements were made, the parties actually intended to enter into a valid and enforceable agreement.

Therefore, it is quite apparent that neither party to a transaction involving a negotiable warehouse receipt may avoid liability on mere technicalities.

Quite recently a higher Court (249 Mass. 492) in commenting upon interpretation of the uniform Act, said:

"It ought to be interpreted in such a way as to give effect to the beneficial design of the Legislature. . . . Simplicity and clearness are ends especially to be sought. . . . Its words are to be given their natural and common meaning, and the prevailing principle of statutory interpretation are to be employed."

Moreover, omissions from negotiable warehouse receipts, of the rate of charge, location of the warehouse, date of issue, description of the goods, signature of the warehouseman, and the like, will not operate to invalidate the receipt.

For instance, in the recent case of *Manufacturers' Mercantile Co. v. Monarch Refrigerating Co.*, 107 N. E. 885, in holding that the failure of a warehouseman to include the date of charges in a receipt does not invalidate the same, the Court explained the law as follows:

"The receipts did not state the rate of storage charges, but warehouse receipts do not lose their negotiability because they fail to state all the terms that are required by section 2, of the Warehouse Receipt Act. Warehouse receipts existed before the Act, and were of themselves but written evidence of a contract between the depositor and the warehouseman. A warehouse receipt was an acknowledgment by the ware-

houseman that he had received, and held in store for the depositor, goods of the kind and amount named in the receipt, and from this acknowledgment the law imposed certain duties upon the warehouseman."

And in another recent case (137 Ill. App. 369) the Court held that a warehouse receipt is fully negotiable where it recites that the merchandise is held by the warehouseman "subject to the order" of the bailee. In this same case it was held that the negotiability of a receipt is not effected by such provisions as "merchandise will be delivered upon payment of the purchase price."

It is well known that goods, on which a negotiable receipt is issued, are not subject to a warehouseman's lien based upon charges, services or advancements for other merchandise.

Notwithstanding this established phase of the law, in *Klock Product Co. v. Diamond Ice & Storage Co.*, 155 Pac. 414, it was disclosed that a warehouseman indorsed upon a warehouse receipt the following: "Subject to warehouseman's lien for storage charges amounting to \$534.83." This lien related to charges on goods other than those listed on the receipts in controversy.

On the face of the receipt was stamped the word "Negotiable." It was contended that the lien notification rendered the receipt non-negotiable and void. However, the Court held the receipt negotiable, and said:

"The statute itself is simple. Consider it as it now stands from the warehouseman's point of view. If he holds accrued charges on other goods, he can avoid just such controversies as this by stamping upon the receipt when he issues it those previous charges. On the other hand, if he has already issued the negotiable receipt and additional goods are deposited, he need not meddle with the previous receipt. . . ."

Protective Provisions

ORDINARILY, a negligent warehouseman is not relieved of liability for loss or injury to goods, although the issued warehouse receipts include protective provisions intended to effect this result.

For illustration, in *Exporters Warehouse Co. v. Hemphed*, 292 S. W. 599, it was disclosed that a warehouseman issued a receipt in which it was agreed that he was not to be liable for loss or injury to the goods caused by fire. The warehouse burned due to the warehouseman's negligence in failing to provide efficient fire preventive equipment. The customer sued to recover the amount of his loss. In holding the warehouseman liable the Court explained that a warehouseman may not relieve himself of losses sustained by his customers through negligence of the former even though the customer signs a contract agreeing to the unreasonable provision.

However, it is generally conceded that provisions in warehouse receipts are valid and enforceable which limit the warehouseman's liability to a stipulated amount for each package or article stored, with the further provision that

the customer shall declare the value of his property and pay a greater storage charge where the value of merchandise exceeds the stipulated amount.

The reason that provisions of the latter character in warehouse receipts are deemed valid and enforceable is because it is presumed that the warehouseman compiles his charges for storage in view of limiting his liability for loss or injury to goods on the amount specified in the receipt. Therefore, if the customer desires protection against damages of a greater amount, he is bound to pay additional charges.

Recently, a Court (157 N. E. 267) said:

"The rule is well established that . . . may limit its liability for damages caused even by its own negligence, if the parties agree that recovery shall be limited to an agreed valuation which forms the basis of the charges . . . or where the limitation is the consideration for other benefits. . . ."

Also, see *Honig v. Riley*, 155 N. E. 65, in which it was held that where a customer fails to receive, in accordance with the law, a receipt stating the full value of the stored goods, the keeper's liability shall be limited to \$75.

In litigations of this nature the validity of a provision in a receipt limiting a warehouseman's liability for his own negligence generally depends on whether the warehouseman has figured his storage charges on the basis of limiting his liability for loss or injury to goods. If the customer refuses to pay a higher storage charge on valuable merchandise to obtain a greater degree of protection, the contract is valid and the warehouseman is relieved of liability in excess of the agreed amount, although the loss or injury is occasioned by the latter's negligence. But a simple notification on a receipt that the customer agrees to relieve the warehouseman of liability for loss or injury to goods, as a result of the latter's negligence, is invalid.

Correction

Two mistakes should be corrected which appeared in the Old Family Album sketch of C. C. Stetson, president of the Fidelity Storage & Transfer Co., St. Paul, in the February issue of *Distribution and Warehousing*.

The caption "Main Warehouse of the Fidelity Storage & Transfer Co., St. Paul, Minn." was placed under the picture of the building which the firm is planning to erect as its up-town additional structure. The company's office is still opposite the Court House and the City Hall at the center of the city.

By a typographical error the space in the proposed new house was set down as 400,000 square feet, instead of 40,000 square feet.

If Oskamulpeepee, in whatever State, has a warehouse that is reliable, that warehouse is listed in the annual Warehouse Directory—consult the book for dependable information.



No. 1

How a Philadelphia Storage Firm's



No. 2

Street Railway Advertising Cards Tell the Story of Service

By K. H. LANSING

EFFECTIVE use of street car advertising cards now and then is made by a furniture storage warehouse company. When such a concern is exceptionally large, or has a considerable range in the types of its service, street railway advertising, reaching as it does a very large number of persons, many of whom no doubt are potential users of one or more of these types, may prove a particularly valuable medium. In cases of this description, merely "telling the truth in an interesting way" through the cards, should be of itself sufficient to help increase business.

This variety of advertising has the strong virtue of repetition, day after day, to a maximum number without any possibility of such annoyance as might be caused through personal or mail solicitation at an inopportune time. It has, also, at least one advantage over the wayside poster, in that while the poster is ordinarily, in this era, passed at high speed, the street car "ad" may be read at leisure until the message it conveys has had a chance to sink in permanently enough to bring about motivation.

Casual service, like that of moving and packing, which

many persons find occasion to use perhaps only three or four times in the course of their lives, must be advertised so that its features will be kept before the public, heralding information concerning its scope. Customers who use one type of service should be kept informed of the other types of service supplied by the storage house in case they should have occasion to employ any or all of them. For example, a patron who may have used the company's packing and moving facilities, may be entirely unaware of such cold storage facilities for keeping furs, or silver protective opportunities as the concern may have to offer, unless this information is freely disseminated.

The Miller North Broad Storage Co., Philadelphia, is a successful user of street railway advertising cards, which it employs from time to time in series, having them done in from three to five colors as being much more effective than black-and-white, or photographic, reproductions. Eight colored cards, each of the standard size used on street cars—namely, 11 by 21 in.—recently were used by the company to good effect.

THIS series was so planned by the Miller company and its advertising agents as to convey to car riders a realization of the full scope of the firm's service, its featured branches of the business and the size of the organization, as well as the completeness of its facilities. It was arranged to have the "circulation" of the cards changed every few weeks to cover, on different lines, all the successive units of the series, so distributed in all street-railway-penetrating sections of the city that a minimum of

approximately 500,000 riders would have the opportunity of daily reading these messages.

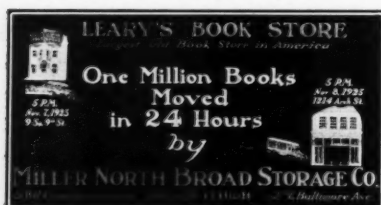
The percentage of street car riding population in Philadelphia is said to be higher than in any city in the United States and strict railway publicity concerns are said to estimate roughly the number of daily riders in the cars to be the same number as that of the city's inhabitants. In the case of Philadelphia, the estimated daily number of persons using the street cars is approximately two and one-half millions. As most of the lines in the Quaker City penetrate suburban points, the readers of the cards, it was considered, would by no means be confined to dwellers in the central or metropolitan area.

This was a point of interest, especially as much moving is done to and from such outlying sections. With virtually all sections of the city and its environs thus covered, it was not deemed necessary to have the cards appear on all lines and

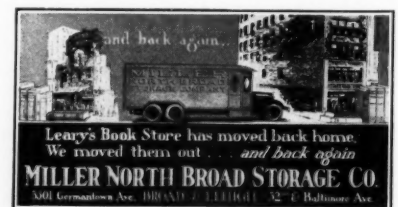
all cars of the company, and it was decided to confine the advertising in this case to the surface cars, omitting the subway-elevated lines.

Analyzing the different cards in the campaign and referring to the accompanying illustrations, which are half-tone reproductions, No. 1, with the significant word "Anywhere!" in large letters in the foreground of one of the big Miller vans, with the descriptive words, "Packing, Shipping, Moving, Fireproof Warehouses" grouped above, pictures in

No. 3



No. 4





No. 5

a conventional way shipping by truck, rail and boat, the line of freight cars on one side and the steamship on the other completing the idea.

Card No. 2, headed "Philadelphia's Best Equipped Movers; Vans specially designed for loads of all kinds," showing below a column of vans of varied size and capacity, is intended to convey the idea of a balanced fleet, providing "Small trucks for little movings, big trucks for large movings," which was used as a slogan in a telephone directory advertisement at the same time as the card was circulated.

It will be noted cards Nos. 3 and 4 refer to "Leary's Book Store." These cards capitalized a Miller moving job that was especially featured with color and publicity; the story of this unusual piece of work was published some time ago in *Distribution and Warehousing*. The store, a historic one, more recently owned by a former Governor of Pennsylvania, refused to sell its site when a large and wealthy department store wished it as part of a new addition to its enlarged building. In the end the department store was forced to build its structure around Leary's lot. Leary's, however, tore down its old building and erected a handsome one in harmony with the big store's architecture, meanwhile opening temporary quarters elsewhere. This incident was extremely interesting to Philadelphians and the moving of the Leary

No. 7



New Utility Truck Adaptable to Warehouse Use

A NEW utility truck (illustrated herewith) for warehouse and factory use has been placed on the market by the Lyon Iron Works, Inc., Greene, N. Y., manufacturers of hand lift trucks, skid platforms, industrial trailers, casters, etc.

The new Lyon utility truck, intended as an all-purpose vehicle, was designed for nominal loads up to 500 pounds. It is sufficiently strong to carry loads in excess of this, but with the small wheels used to give low height (five inches above the floor) of platform, 500 pounds is the comfortable limit. The machine it-

self weighs 100 pounds. Other specifications are:

Size of platform, 22 by 32½ inches. Nose (made of quarter-inch heavy steel plate), 3 inches in length. Size of rolls, 1½ inches outside diameter. The frame is of 1½ by 1½ by 3/16-inch angle, having three cross braces of the same material, which also forms support for the casters. Top plates are 10 gage steel fastened to the frame by 5/16-inch countersunk head stove bolts. The handle is of uprights made of 5/16 by 1½-inch

book stock secured much favorable publicity for the Miller company, as it was a remarkable job and took considerable special planning.

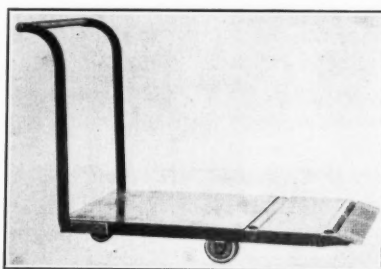
The first of the Leary moving cards, No. 3, depicted the size of the undertaking at the same time the metropolitan dailies were carrying stories telling how the establishment was able to close the old store at 5.30 Saturday afternoon and open its temporary quarters several blocks away, on another street, with full shelves of books, catalogued and ready for Monday morning customers. The captions, "Leary's Book Store," "Largest Old Book Store in America," and "One Million Books Moved in 24 Hours," tell part of the story, while the flanking reproductions of the old and the new quarters, with the hours of respective closing and opening featured beneath, complete the message.

The second card, No. 4, brought out the idea of a "satisfied customer," as the caption "Leary's Book Store has moved back home. We moved them out—and back again" implies. The illustration helps to drive home the idea, showing, as it does, the old Leary store in relief against the background of the department store; a big Miller van in transit; and the new Leary establishment; with emblematic books scattered about the picture. The picture gave to the job the semblance of going and returning with the volume.

Card No. 5, headed "Miller's Service Includes Expert Packers," with a picture of two busy packers in action, with a glimpse of the top of a big van through the storage house window, with the legend to the right, "Tis better to be safe than sorry," speaks for itself in emphasizing one phase of Miller service.

Card No. 6, relating to moving the Sesquicentennial administrative offices from Independence Square to the Sesqui grounds in South Philadelphia, showing a line-up of Miller vans in front of the building on those grounds, was placed in the street cars shortly after the big fair was opened and had the element of timeliness strongly in its favor. This job also had much local color and atmosphere, although the general public probably had no idea of the size of the undertaking or the amount of work involved.

Card No. 7, having the striking heading "Protection Every Minute!" and pertaining to protective storage facilities for silverware in a burglar and fireproof



New Lyon utility truck



No. 6

vault, showing a portion of the vault door mechanism and the clock above controlling the timelock, conveys well the idea of impregnability and security to the customer's possessions.

Card No. 8, which says "The Largest Organization of Its Kind in Pennsylvania," is really the first of a new series intended to give Philadelphians and other car-rider readers at least an inkling of the size of the organization and its ability to render commensurate service. This slogan will be carried through the entire series, now being completed.

The next card in the group will depict the company's three large storage warehouses—headquarters, at Broad Street and Lehigh Avenue; the branches respectively at 52nd Street and Baltimore Avenue, and at 5301 Germantown Avenue. A number of trucks in use also will be pictured and in the rest of the series will appear another slogan, "Equipped to Serve Best." Some other interesting ideas and brief glimpses of important Miller jobs will be presented in forthcoming car cards, for the campaigns will go forward.

Having a firm of street car advertising specialists work out the art and other details in making up the plates for reproduction on the car cards was found by the storage warehouse company to be especially satisfactory, because men in the publicity organization understand so well the technique of their medium.

No. 8



self weighs 100 pounds. Other specifications are:

Size of platform, 22 by 32½ inches. Nose (made of quarter-inch heavy steel plate), 3 inches in length. Size of rolls, 1½ inches outside diameter. The frame is of 1½ by 1½ by 3/16-inch angle, having three cross braces of the same material, which also forms support for the casters. Top plates are 10 gage steel fastened to the frame by 5/16-inch countersunk head stove bolts. The handle is of uprights made of 5/16 by 1½-inch

(Concluded on page 57)

Terminal Warehouse Co.

Little Rock, Ark.

WHAT'S WHAT IN

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LOCATED conveniently to both the retail and wholesale districts of Little Rock, Ark., the new merchandise storage plant of the Terminal Warehouse Co., representing an investment of approximately half a million dollars, is of reinforced concrete with buff-colored bricks with blue terra cotta trims. It is five stories in height and has a frontage of 300 ft. and a depth of 125 ft. It is of economical design, but because of its proportions, its decorative details and the choice of materials it is of real architectural beauty and taste.

Two floors open on street levels. At the front one enters the main or second floor from one of the popular business thoroughfares. At the rear the building is even with the river-front street and the floor is on a freight car level.

Here, in the rear, is the 10-ft. double loading platform with trackage on both sides, assuring easy handling of small shipments broken down from carload lots. Freight may be moved from one car to another without being taken into the warehouse. Provision is made for handling the freight of about thirty cars a day.

Folding steel doors make possible the protection of goods that must be left on the platform overnight and do away with the necessity of extra re-handling. Distribution of pool cars and the sorting and delivering of package car freight are speeded up because of the double loading platform.

Entering the front entrance of this warehouse, one finds a lobby that presents very much the appearance of that of the modern office structure. Nearby are a telegraph station and a cigar store. Conveniently located is a passenger elevator. Across the entire front are glass-inclosed display rooms and offices, affording effective space for the showing of merchandise and for the handling of business details.

Jobbers, brokers, manufacturers' representatives and traveling salesmen have offices both here and

on the upper floors of this new structure.

Opposite the entrance and opening from the main corridor, is the second floor storage space, quite separate from the rest of the building, although advantageously located for those having office and display space.

The offices of S. J. Beauchamp, the company's president, and S. J. Beauchamp, Jr., the secretary, are on the main floor, easily accessible to anyone entering the building. These offices are attractive and well furnished and are connected with all parts of the warehouse by telephone and pneumatic tube service.

An office has been provided for a freight agent on the first floor near the loading platform; here shipments are routed and bills of lading are made, thus expediting shipments.

An attractive feature of the building is provision for motor

transport. A specially constructed platform, opening from the city delivery storage room at one side of the structure, provides space for the motor fleet. Fifteen trucks can be loaded at one time for city and suburban deliveries.

Heavy freight elevators, each of 6000 lb. capacity, make possible the distribution of merchandise to be stored in the 1,900,000 cu. ft. of storage space. Every provision is made for protection of the merchandise. A sprinkler system is supplied from the city mains and from a tower-inclosed tank on the top of the building. A night watchman service is provided. The precautions against fire hazards have given the company an insurance rate of 18.3 cents. A ventilating system assures preservation of goods affected by heat or dampness. An insulated roof makes the top floor suited for storage of all kinds of merchandise. A small area on the ground floor is especially constructed for storage of combustible goods, and fire-works belonging to local merchants find safe-keeping here. A vault is provided for papers and small articles.

(Concluded on page 25)



NEW BUILDINGS

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Jackson Storage & Van Co.

Chicago

THE new household goods depository of the Jackson Storage & Van Co.—at 3609-3613 West Twenty-second Street—Chicago, offers a striking example of what can be done with an old "ordinary construction" building with brick exterior walls which were not in good condition. The results accomplished take all floor load off the old exterior walls, tie the old walls together so as to prevent sliding settlement, and straighten one of the walls which leaned 8 in. out of plumb so that to all intents and purposes it is now virtually plumb and presents a reasonably neat mechanical appearance.

This was done by removing the entire interior wood structure, trussing across the building from wall to wall for brace purposes, putting in new foundations centered underneath columns which are located about 9 ft. from each lot line, and then building an independent self-supporting reinforced concrete structure on the inside of the old building so as completely to support the floors without any load falling on the exterior walls and at the same time bracing these walls.

After the concrete structure was completed the old brick walls were, with jacks and ties, forced into alignment and then securely anchored to the new reinforced concrete part so as to hold permanently in place. Walls for an additional story above the floor of the old walls were carried on cantilevers from the reinforced concrete structure without imposing any load on the old walls. On account of the long exterior span between columns—32 in. from center to center of columns—it was not economical or practical to use the flat slab system of construction.

In order to avoid loss of storage space on account of the excessive depth of the floor beams required, the beams for the upper stories were spaced on centers to correspond with the centers of the partitions between the storage rooms, thus allowing the space between the beams to add to the volume of rooms and at the same

time reduce the height of the partitions between the rooms. This made it possible to give more actual volume room per story height than would have been possible with the thick slab system of construction, as the floor slabs between beams, because of short span, are comparatively thin.

Another interesting feature of the design is the arrangement of the office equipment so as to place standard file devices under the customers' counter in such a

way that the counter attendant, instead of having to go a long distance to consult files, may find the required papers directly under the desk where he is talking. While this idea has been borrowed from the insurance offices it has been introduced so as to eliminate the rather unsightly appearance produced by arranging stock sectional cabinets in the customer's view. In this case the filing cabinets have been arranged in the same manner; but, instead of exposing the sectional cabinets, they are covered with a counter top and are faced on the customer's side with continuous paneling in metal and bronze.

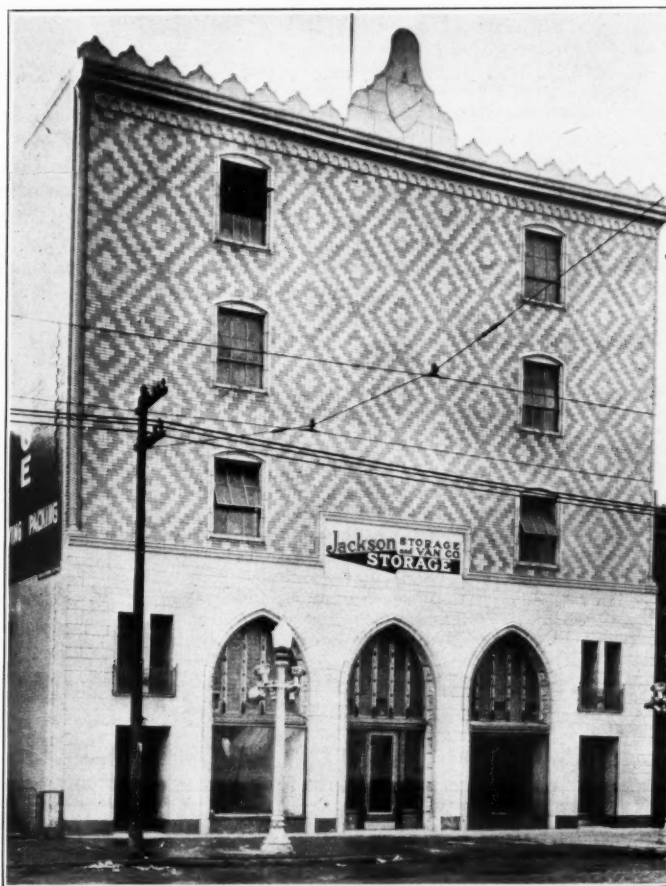
All furniture with the exception of the chairs is of the best grade of enameled steel trimmed with extruded bronze moldings. All the borders of glass and the contact points of doors are covered with bronze shoes. The steel work is finished in baked-on green enamel

of the Jackson company's standard shade, stippled over with verde antique stipling glazed so as clearly to express metal construction.

The vault consists of an inclosure of 12-in. double mat reinforced concrete inclosed with a 2½-in. steel crane-supported high grade bank vault door constituting an inclosure equal to that of the best small bank and taking a low rate of burglar insurance.

One serious criticism of reinforced concrete buildings for office purposes is due to the tendency to reverberation produced by hard concrete surfaces. To avoid evil

(Concluded on page 41)



"No Warehouse Business Is Stronger Than Its Weakest Complaint"

*Weicker Transfer & Storage Co., Denver, Develops the Art of
Turning Kicks into Benefits*

By WILLIS PARKER

TO paraphrase an old adage: "No warehouse business is stronger than its weakest complaint." And the success of a great many warehouse and transfer men indicates that they have recognized this truth, and, from complaints, big and little, have welded chains of sufficient strength to hoist their activities above the mediocre.

How to handle complaints that they may help build better business is another story. Undoubtedly there are many good systems, each designed to avoid the desire to tell the complainant to visit a place where the activities of most any iceman would be 100 per cent acceptable. But, perhaps, none is more efficient than that of the Weicker Transfer & Storage Company, Denver, possibly in no other warehouse are complaints more readily acceptable and welcomed.

Inasmuch as the Weicker firm handles the transfer and storage of household goods as well as merchandise, it is obvious that complaints may come from several sources and be delivered in numerous ways. But, for the sake of expedient handling, two complaint desks are provided. One is for the convenience of owners of household goods and the other for the convenience of busi-

ness houses. As a matter of fact those who preside at these desks have other duties to perform; taking care of complaints is the least of their duties, for the "kicks" are not so numerous as to warrant their entire attention. It is for the purpose of getting immediate action on any complaint that these men are so designated.

Some complaints come by telephone, others by mail, a few are brought in personally by the complainants, and still others reach the firm in a roundabout way. The last are probably the most welcome by R. V. Weicker, president, and his associates.

The girl who presides at the telephone exchange and information desk routes most of the complaints. If it concerns household goods she turns the complaint to R. H. Saunders, for he is the man who took the order for service and transferred it to the warehouse or transportation departments. If it regards merchandise, she turns the complaint to C. M. Crane, who heads the commercial storage and warehouse department. However, most of the complaints concerning commercial service come by mail. In either case immediate attention is given to it; the machinery for rectifying errors is set in motion instantly.

"THE sooner a complaint is adjusted, the better," explains Mr. C. F. Barrett, vice-president. "We cannot afford to permit it to become as a thorn in the flesh. Either we must remove it or find a way by which the customer can remove it himself. If we damage a piece of household goods, we want to fix it as quickly as we can and fix it so no one will notice it."

The theory is that, in case a piece of furniture is damaged and continues to show the effects, a visitor to the home may notice it, remark about it and receive the information that "Weicker's did it." The visitor may think twice about which transfer company she will employ when she has occasion to move.

When such a complaint reaches Mr. Saunders' desk he enters it in a book and orders some one to call on the customer. It may be a salesman or it may be a refinisher but in any case the work is or-

dered done and a receipt obtained from the customer acknowledging that everything has been satisfactorily adjusted. The book is checked every day to prevent undue delay.

Of course there are cases wherein the warehouse company is not at fault. Every effort then is made to prove the company's innocence; but if it is impossible to prove it beyond a shadow of a doubt, the company accepts the responsibility rather than to lose a friend.

Customers sometimes complain about charges for moving, alleging that the company's computation of the time required for the work is too high. Such a complaint is usually easy to handle, for the truck superintendent has a record of the truck's activities and the time it was out, and customers are in most instances willing to listen to reason. But, reasonable or unreasonable, the complaint is satisfactorily adjusted. Per-

haps a truck owner complains that a Weicker machine smashed a fender on his truck when passing through the alley. If it is the company's fault, there is no hedging.

It is a stand-off as to who is wrong in most of the complaints received from the handling and storage of merchandise. The customers are just as likely to make mistakes in their computations of stocks on hand as the company is. Stock clerks are not perfect in arithmetic. Nevertheless the complaint gets immediate attention and the mistake is rectified one way or another.

In the beginning we mentioned that some complaints reached the firm in a roundabout manner. These are the hardest to obtain; but, as a rule, they contain the greatest possibilities of benefit to the firm, for they frequently point out subtle faults of the system.

Not long ago a manufacturer's repre-

sentative opened an account with a wholesale house and was warned by the wholesaler not to have the merchandise handled through Weicker's.

"Why not?" asked the broker.

"Because it takes all day to get anything out of their warehouse," was the reply.

The incident reached Mr. Weicker's attention. He began to investigate, to uncover, if possible, causes for delays. He found where he could improve his system but he also discovered that this system was not entirely to blame; truck drivers are prone to dilly-dally around, visit with other teamsters or drivers; then, upon being questioned by their employers regarding the delay, "pass the buck" and claim that the warehouse company was slow in getting the goods out.

That Famous "Buck"

A new system to speed up the warehouse staff and eliminate "passing the buck" has been installed. It is somewhat explained in letters sent by the firm to jobbers to demonstrate the effort the company is making to eliminate complaints due to delays. Portions of the letter follow:

"We have been informed that in some cases your trucks make as many as sixty pick-ups in a day, and five minutes lost on each pick-up would mean a half day lost. It therefore enters materially into the cost of operating and the subject deserves at least your closest consideration.

"We have installed a tube system that saves the driver useless walking around the buildings in order to get his warehouse order and give us a receipt for merchandise received by him. While this order is being written up, a phone system to our various floors enables us to phone the order to one of our warehousemen so that by the time the order is returned to the loading dock, the merchandise is on the way or has arrived at the platform.

"The clock system which we have installed makes it possible for us to show the minute the order is received and the time it is completed and ready to leave our warehouse. Your receiving clerk gets a copy of the delivery ticket and there is indorsed on the back of it the time the driver arrived at the warehouse and the time the order was completed, so that you can at all times check your driver's time and the time the warehouse consumed in waiting on your pick-up truck.

"There are, of course, some delays beyond our control, as frequently we are not permitted to make a delivery from certain stocks until we first call the brokers for confirmation; sometimes, especially from 8 a. m. or at noon, we cannot get them immediately by phone. At other times jobbers may call for certain commodities without their pick-up orders showing from whose stock. It is advisable, therefore, to show on each pick-up order the stock from which you wish to draw your merchandise.

"There are also stocks carried in every warehouse that require the signed order issued by the company which owns the

The 1928 Directory —Consult It!

The January issue of *Distribution and Warehousing* was not a monthly number alone.

It was—and is—a year-round reference volume, because—

It lists the reputable warehouses of the United States and Canada and gives information as to the facilities and services of those firms.

It is a book invaluable to distributors and warehousemen who have shipments to send.

Consult the 1928 Directory when making shipments!

stock. Frequently we have positive instructions to recognize no orders except the orders of the owners. We are always anxious to accommodate our jobbers but with positive instructions of this kind it is often a difficult matter to do so."

There is no question but what the tube system has speeded up such deliveries, for the jobber's truck driver merely backs to the city dock, presents his order to the warehouse foreman, who stamps it and notes the merchandise, places the order in a tube, and shoots it to Mr. Crane's department, where the clerks handle it immediately and shoot it back to the foreman. Meanwhile the foreman has telephoned the floor men to send the goods down. Upon the return of the order to the foreman, he delivers it to the driver with the invoices. These are presented to the checker, who checks the merchandise and takes a receipt for it and then stamps the order to show the time the merchandise was turned over to the driver. If the driver wants to loaf on the way back to his own place, the Weicker company cannot be held to blame. Furthermore, the letter from which excerpts have been quoted explains some causes of delay in the warehouse. If the delay comes under any one of these classifications, surely the warehouse company cannot be held responsible.

Further to facilitate the movement of pick-up stocks, a crew is kept on the job during the noon hour.

Another source of complaints is interdepartmental—within the organization. The common term for it is "passing the buck." The warehouse superintendent may complain that he is not receiving the invoices from the commercial department as soon as he should, and he urges the boss to speed things up. Mr. Weicker investigates, questions the commercial department, and is told that the latter sent the invoices out as fast as they could be made up. Somebody is "passing the buck."

Tube System Installed

So Mr. Weicker placed time clocks on the invoice desks and ordered that the time be stamped on the invoices as soon as they were ready to be sent to the superintendent. This served to speed up

the invoice writers and to prevent the superintendent setting forth that the invoices were delayed when, as a matter of possibility, they may have gotten mixed up with some other papers on his desk. A tube system connecting the two departments also was installed to speed up the delivery of the invoices.

Likewise a tube system was installed to connect the truck superintendent or dispatcher with the order desk. As quickly as orders for trucks or truck service are received they are shot through the tube to the dispatcher, thus saving several minutes in getting the trucks into action.

Another arrangement has been recently installed to speed up the movement of the trucks from the warehouse to meet the orders of customers. The truck superintendent's office formerly was in the general offices and at some distance from the docks and the drive-ways used by the trucks coming and going from the warehouse. Now the office is on a pier which has been constructed from the docks outward to the edge of the alley. The docks are set back from the alley about the length of a motor truck. The pier is between the portion of the docks designated as the city docks and that known as depot delivery docks.

From his desk the superintendent now can watch the movement of the trucks in and out of the yard and the activities of the men on the docks. When a truck drives in, the driver pauses at the pier, and if the superintendent has an assignment for him he hands it to the driver through a window in the end of the office. The driver needn't leave his seat.

Drivers had been in the habit of "killing" a little time between arriving at the dock and reaching the inside office. Ten or fifteen minutes might thus be lost—and then explained by some likely alibi.

All these improvements have been adduced by complaints. And, to get the maximum value out of complaints, Mr. Weicker personally looks over the reports, although the complaints may have been handled by others on his staff. In the reports he reads the shortcomings of his organization and determines means of eliminating them.

Complaints, he avers, always will be received. No system is perfect, but it can always be improved.

Atlanta Blaze

Fire, originating in the basement of the six-story warehouse of the Zaban Storage & Transfer Co., at 12-14 Spring Street, Atlanta, did considerable damage before being brought under control, on March 2.

The flames climbed an elevator shaft until they reached the Spring Street level, where they swept through the furniture and other goods stored near the shaft. The principal loss occurred on this floor, although smoke and water caused some damage to goods stored on other floors.

Officers of the company believed the loss was completely covered by insurance.

The Peak Season Transfer Problem

By J. H. REED

HOW can the transfer and storage man best attack the problem of a peak transfer season? With anywhere from 25 to 40 per cent of the year's moving business coming around Sept. 1 in some cities, as Atlanta, or with the heavy rush arriving twice a year in other cities, as May 1 and Oct. 1 in Chicago, the problem of the peak load is recognized by the furniture storage industry as a serious one.

It means that the company must have more trucks in hand than it needs for ordinary use during the other periods of the year. It means that a larger force must

be maintained than is necessary normally. It means that more damage may be done than would occur if the moving could be spread out over twelve months instead of in one or two. It means lowered efficiency all along the line.

Something must be done to spread this peak load over a longer period of time. But what?

The transfer and storage man must solve the problem somehow—for the experience of other merchants with peak loads has proved that it can be solved.

"IT may be that we have been attacking the problem of greater distribution of the peak load from the wrong angle," according to John J. Woodside, Jr., president of the John J. Woodside Storage Co., Inc., Atlanta. "We are so interested in our own affairs that we sometimes forget that it is a problem which affects many other people, too. The power company would give much to eliminate this peak load. Indeed, the Georgia Power Co. in Atlanta has been working on it for years without much apparent success. The telephone company, too, would like to see this custom changed. Interior decorators find themselves in much the same position that transfer people are in—all of their work comes at almost the same time. Builders are unable to spread their operations out as they want to—for the apartments, to rent well, must be ready for occupancy by Sept. 1. The problem is one which has many angles and which affects many people.

"And it occurs to me that the real way to bring about this change is, first, through the leadership of the real estate board, and, second, through the support and the cooperation of every agency which will be benefited.

"Why do people insist on moving on Sept. 1? Is it any better a day for the purpose than March 1 or June 1 or Dec. 1? Not in our particular climate. It is just customary.

"And the real estate board could, if it would take the leadership, soon break up a custom which does no one any good and works a hardship upon many.

"In the first place, it could work out a schedule perhaps with the bigger apartment builders whereby the new apartments would not all be put in commission at once, but say every two or three months. If the owners of these apartments would give a lease upon occupancy for a period of a year, it would

MR. REED'S accompanying article—based on an interview with John J. Woodside, Jr., Atlanta, on the subject of the problem of the furniture warehousemen's peak moving season—is timely in connection with developments in Chicago and New York.

As set down on the opposite page, the problem appears to be approaching solution in Chicago, due in part to efforts by the Illinois Furniture Warehousemen's Association and the Movers' Association of Chicago, each of which contributed \$5,000 toward a fund which may reach twenty times that amount.

In New York, the New York Furniture Warehousemen's Association, encouraged by the development in Chicago, authorized, on March 12, its October leasing committee, headed by Ernest H. Milligan, to put machinery in motion in an effort to accomplish in the metropolis what is being done in Chicago.

go a long way toward spreading this peak load.

"In the second place, people who sublet apartments should be encouraged to take the place for a year instead of 'until the first of September,' as is now the rule. In this way a considerable number of leases would be secured at dates other than the usual September one. Most people, in subletting an apartment, would prefer to have the lease for a year from date, as often they have only three or four months before they have to get out and hunt for another location.

And in the third place, real estate firms could encourage leasing in the spring as well as in the fall, setting up two customary moving dates—one the first of March and the other the first of September. Many people would rather move in the spring than in the fall, but custom has decreed that they must not—and they never do anything that is not customary.

"The setting of a spring moving date as well as a fall one would do much to remedy the situation. And it might lead to the setting of other moving dates, so that people would move three or even four times a year.

"Builders would welcome the change, as it would mean the immediate occupancy of almost any apartment house, no matter when it was completed, whereas now many must lie idle for several months waiting for 'moving time.'

"Labor would welcome it, as it would mean steadier employment. Jobs would be more evenly distributed, with fewer rush jobs and fewer idle periods. And, needless to say, decorators would welcome it, for it would spread their work out over the year.

"The power company and telephone company would welcome it, for it would mean less rush, less confusion and less delay in giving service than is now the rule. To some extent the power companies have gotten out of the difficulty by leaving the meters in and changing the titles. But this not entirely satisfactory.

"As for the transfer and storage company, I'll say it would welcome it!

"For it would mean that it could eliminate the extra trucks that it must now carry through the year for use about two weeks in the year.

"It would mean a smaller working force and a more efficient organization. Better trucks could be used and better trained men employed if the work were

How Chicago Is Working Out Its Seasonal Peak Load Situation

A MILESTONE in warehouse and moving men's progress has been reached in Chicago, where leaders in the industry have joined real estate interests to change leaseings from May 1 and Oct. 1 to year-round leaseings. The Illinois Furniture Warehousemen's Association has contributed \$5,000 to a fund which has already reached \$50,000 for furthering the leasing-change movement.

The new system will prove a whirlwind business-getter, according to James L. McAuliff, Chicago, secretary of the Illinois association. In a word, the plan provides for leasing from the first of any month on; it removes the peak load at May 1 and Oct. 1 each year, and it benefits storage man, mover, apartment and house owner and tenant.

"Many removals during the rush periods are of necessity handled by non-moving or non-member vehicles," according to Mr. McAuliff. "However, there is a still more important way that it will aid the industry. Heretofore it has been practically impossible for tenants to obtain leases maturing on June 30, when school is out and many families migrate to the country. Under the new system thousands of such leases will be written, and many such families will store their household goods from July 1 to September or October.

"This will be true, too, with leases maturing in December or January. Many with such leases will store their goods for some time, pending an interval spent in Florida or California. This has been difficult heretofore, with leases maturing May 1, too early for the summer vacation, and those ending Sept. 30, too early for the winter movement to southern points."

Sub-leasing will be much easier under the new system, Mr. McAuliff points out, and *easier sub-leasing means more storage.*

"With a supply of tenants available every month in the year, warehouses will be able to do their work of moving with much less cost and reduced equipment, meaning greater profits to the warehouse," he adds.

The leasing-change movement has achieved tremendous proportions in Chicago, where it has acquired a backing which was thought impossible. The same movement was started in a half-hearted way four years ago and failed. The new movement has the backing of leading Chicago organizations—the principal civic and commercial bodies, the public utilities, banks, merchants, newspapers and landlords.

Among the sponsors, in addition to the Illinois Furniture Ware-

housemen's Association are the Advertising Council; Central Uptown Chicago Association; Chicago Association of Commerce; Chicago coal merchants; Chicago Mortgage Bankers Association; Chicago Real Estate Board; Greater South Side Chamber of Commerce; Kiwanis clubs; Movers' Association of Chicago, Painters District Council No. 14, Chicago, Laundry Owners' Association, and sectional business groups.

Through this cooperation there has been secured \$50,000, and the fund goal has been set at \$100,000 and new pledges are coming in daily. The newspapers have joined in magnificently, and bulletin boards at headquarters are crowded with clippings from newspapers, trade papers and house organs. A public relations counsel will send details of the organization to those interested in the new organization, which is called the Chicago Homes Economic Council.

Real estate firms have joined the movement. Their slogan, "Any Time is Renting Time," is carried in their advertisements in metropolitan newspapers, and concerns add, "We write yearly leases from the first of any month."

Chicago warehousemen inclosed 160,000 small advertising cards in their March mail, to acquaint customers with the movement.

more evenly distributed through the year.

"It would mean the elimination of much of the damage done and much of the loss incurred in moving under high pressure circumstances. It is a proven fact that most of the damage is done when the men are tired and hurried. Elimination of this peak load would remove the cause for damage—and result in lower rates for the customer, since these losses would not have to be charged off against him.

"Finally—and here is a subject not often considered—it would mean the elimination of much of the price cutting

that is the bane of the transfer men's existence at present.

Price Cutting

"For price cutting comes as a result of improper conditions.

"The transfer and storage man has more equipment than he can keep employed. He wishes to keep his men and his trucks busy. So he goes out and gets a job at a reduced price—just to keep things moving. Soon everybody is doing it.

"And an unpleasant situation has developed for everybody.

"If the companies had less equipment and that more steadily employed—as would be the case with moving going forward continuously—there would be less price cutting going on.

"So, as I see it, the job of the transfer men first is to get the real estate boards to see the advantages of breaking up this useless custom.

"Then, with six or eight industries cooperating to keep the custom broken up, the public can soon be made to forget that moving ever had a definite date. This would benefit everybody concerned—the customer, the transfer company and the allied trades."

New Terminal Plant, Little Rock, Described in New Building Series

(Concluded from page 20)

The third and fourth floors have a number of attractive small offices as well as storage space. The fifth floor is devoted to storage.

The interior of the warehouse is finished in white on the theory that white finish affords the maximum of light.

Throughout the warehouse the con-

crete columns are designed to support a weight of 250 pounds to the square foot, with additional 50 per cent capacity for extra loading. These columns, with fan-shaped tops, are attractive and give an interesting appearance to the large areas.

The Terminal's new building was built to meet a demand for improved

warehousing and distributing service for Arkansas and those sections of Louisiana, Oklahoma, Missouri and Texas which are within a one-day shipping radius of Little Rock. It represents the growth of fifteen years of merchandise warehousing by Mr. Beauchamp.

—Reba Stevenson.

No. 42

William G. Dickinson

By ELIZABETH FORMAN

Let's Take the Old Family



Above and left, views of the warehouse of the Lambert Transfer & Storage Co., Inc., Seattle



In oval, William Gladstone Dickinson, president of the Lambert Transfer & Storage Co., Inc., Seattle. At lower right, part of the Lambert company's fleet

HIS full name is William Gladstone Dickinson. It would have been William Ewart Gladstone Dickinson had his grandparents had their way, for the great English statesman was a friend of the family and frequently visited their home. A sympathetic mother, however, balked at the long name, so the Ewart was omitted.

Mr. Dickinson is president of the Lambert Transfer & Storage Co., Seattle, Wash. A picture of Gladstone shares honors, on the wall over his desk, with Lincoln and Roosevelt. These are his three ideals.

The subject of this sketch landed in Seattle in 1887—forty-one years ago if you are quick at arithmetic. He was 22 years old. In his pockets were a friend's letters telling in flowery rhetoric of the beauty of Puget Sound, the climate, the trees, the water. In those days the Government was giving away quarter-sections of land to any settler rugged enough to take the dare that went with it: the homestead was granted on the condition that it must be lived on for five consecutive years.

Young Dickinson had never done a hard day's work in his life but the idea of being a land owner in a big way, like the nobility of his own country, appealed to him very

strongly, so he got a job—moving slabs of lumber in a mill with a shift of Indians and Mexicans. His first home was a shack somewhere near the mill port, and here he lived as long as it seemed possible for a youth accustomed only to clerical work to endure such hardships. Finally a newly made friend offered to get him a better job.

This, it developed, consisted of pushing big timbers into a saw. The task required two men, the other being a gigantic Swede who pushed so hard on his side of the log that the timbers went crooked and missed their mark. The duration of the engagement was three days.

By that time young Dickinson had grown perfectly willing to leave land-owning to the English lords, so he secured a position in Seattle as bookkeeper and real estate salesman with David T. Denny, one of the city's oldest pioneers. (Denny Way, near Mr. Dickinson's present office, is named in honor of his early employer.)

Mr. Dickinson stayed with the Denny firm for seven years, saving his money and reinvesting much of it in the firm. At the end of that time Mr. Denny suffered severe

(Concluded on page 56)

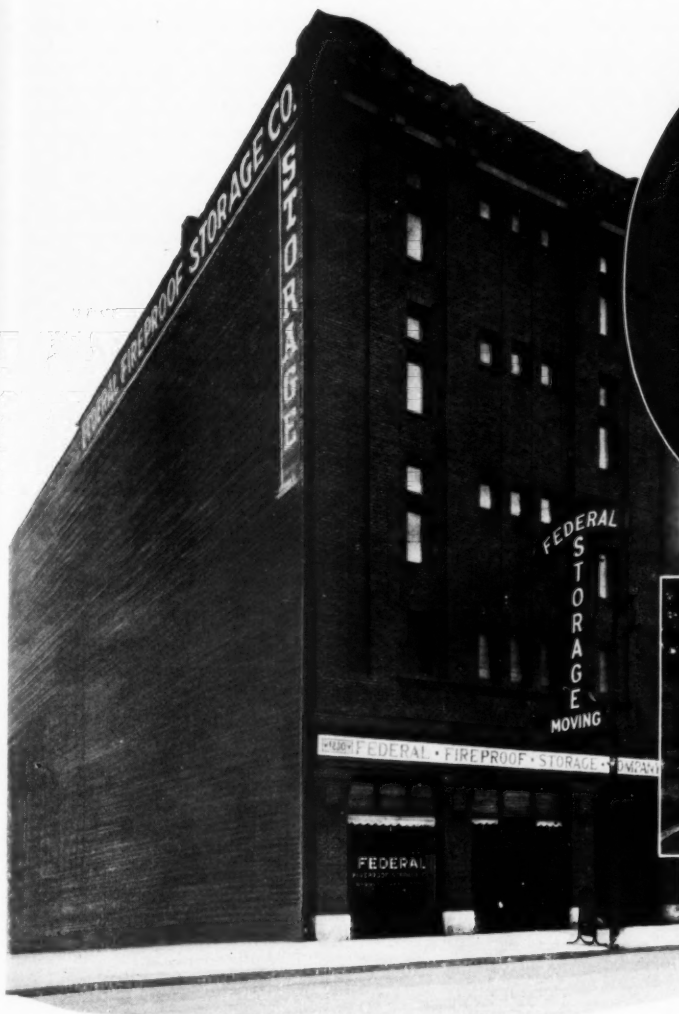
Stories

No. 43

Joseph H. Meyer

By ELIZABETH FORMAN

Album Out of Storage!



In oval, Joseph H. Meyer, president of the Federal Fire Proof Storage Co., Chicago



Below, Mrs. Joseph (Camille) Meyer and the subject of this sketch



Above, Joe Meyer the Nimrod and an Indian guide

The building is the main warehouse of the Federal Fire Proof Storage Co., Chicago

TO the well-known indoor sport of "robbing Peter to pay Paul," Joseph H. Meyer, president of the Federal Fire Proof Storage Co., Chicago, no doubt owes the present successful state of his household goods warehousing activities.

Mr. Meyer has been "in business" since 1910. He was born in Chicago, on the North Side, and was graduated from the La Salle Institute with Martin H. Kennelly. The latter also is a prominent figure in the storage industry of present-day Chicago and it is said that while the two were in school together Kennelly won medals and honorable mention while Meyer played football. Patrick ("Paddy") J. Carr, who died on the night he was elected sheriff of Cook County after having served as county

treasurer, was another member of the class. He and Meyer used to carry on a keen competition to see who would be kicked out of school more frequently. Carr was a potential politician even then—for it was the future warehouse executive who always got "hooked."

Leaving school, young Meyer made his début in the business world as a bellboy in the First National Bank of Chicago. Later he joined his father in the liquor business—in the days when there was more alcohol in evidence and less consumed than there is now that it no longer is a respectable member of society. Prohibition cleaned them out.

Mr. Meyer then met, by accident, a man named

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FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Receipts and Ownership

LEGAL EDITOR, *Distribution and Warehousing*: We have the following situation before us: We received from A a lot of merchandise for storage and we issued to A a negotiable warehouse receipt, same reading "delivery to be made to him or his order upon presentation of the receipt."

Later, A surrenders this receipt to B, a financing corporation, as security for a loan. In the regular course of business we made several partial deliveries from this lot upon order of B, in each case the receipt being properly presented for indorsement.

Recently we received a notice from A. In this notice they state that B had notified them that they intend to sell the warehouse receipts at auction in order to satisfy the notes and loans for which the warehouse receipts were given as collateral. They notified us by letter that they are, in fact, the owners of these goods and will look to us to protect their interests.

We have notified B that we have received such notice from A and that, even though B has delivered to us the warehouse receipt indorsed by A, we will not make deliveries of any of the goods to any party until they have determined their ownership to our satisfaction. We have stated, however, to B that we would make deliveries on their orders provided they permit us to make collection for the goods as they are sold, holding the money in trust until ownership can be proved to our satisfaction; thus there could be no claim for loss of business due to our action in withholding delivery on the warehouse receipt.

B advises us that, of the many houses in which these particular goods are stored and on which the receipts have been sold similar to our own, they have all made delivery without question.

Could you give us information, reference or advise as to our position? Would appreciate this by early mail if possible.

Answer: You are responsible to B if you deliver the goods to A or other person to whom B transfers the receipt. Since B is the present holder of the receipt he is legally entitled to possession of the goods which the receipt represents.

Of course if B is agreeable to your proposition, you may hold the money in trust. B may in writing authorize you to deliver the goods to another.

In *Farmer's v. Ellis*, 258 Pac. 186, a warehouseman was held liable where he delivered goods to the owner with the verbal understanding that the bank

(which held the receipt as collateral) was to receive its money from the owner when he sold the goods. After obtaining possession of the goods, the owner refused to pay the bank, which held the receipt, and the latter sued and recovered from the warehouseman.

Also, it had been customary under these circumstances in this locality for the warehouseman to permit the customer to take possession of the goods, while the bank still retained the receipts, with the understanding that as soon as the customer received payment

What Don't You Know?

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business!

he would settle with the bank, which would then deliver the receipts to the warehouseman.

This Court said:

"We take it that the object of the law, as shown by its many provisions, was to see that each step taken, beginning with the deposit in the warehouse and the issuing of the receipt to the final delivery of the goods by the warehouseman to the holder of the receipt, should be evidence by some statement in writing, so as to completely preclude any attempt by an unauthorized person to get possession of the property."

The Right to Open Goods

LEGAL EDITOR, *Distribution and Warehousing*: Kindly let us know if we have the authority to open up trunks and boxes and also go through dresser drawers, etc., in order to locate the names of relatives of our customers whom we have not heard from in over a year.

We would like to go through the goods in order to find any names or addresses that might help us to locate the customer before selling goods for charges. —*Costich & Sons, Inc.*

Answer: The law provides that before selling stored goods to satisfy a valid lien a warehouseman shall give written notice to the person on whose account the goods are held, and to any other person known by him to claim an interest in the goods. This notice should be sent to the last known address of the party or parties.

There is no provision which permits the warehouseman to search the contents of the packages in order to locate the names and addresses of relatives of the owner of the goods. Neither do I find any cases on this subject.

However, under the circumstances that the goods are to be sold for storage charges, it seems that a warehouseman is rendering a valuable service when searching the goods in an attempt to notify the owner so that he may save the goods from being sold to satisfy the debt, particularly where the owner negligently failed to notify the warehouseman of his changed abode or address.

On the other hand, the owner may legally object to the warehouseman searching his property, although the objection may occasion no financial loss to the owner. But as the warehouseman is legally required only to notify the owner at his last known address, if the warehouseman prefers to render the owner of the goods an additional service, without authority of the owner or the law, the warehouseman is not relieved of responsibility should for any reason liability exist.

If a clause is inserted in the contract, by which the owner gives the warehouseman authority to search the goods under the circumstances mentioned, the problem is solved.

Bailor and Bailee

LEGAL EDITOR, *Distribution and Warehousing*: In the ordinary relationship of bailor and bailee, the bailor owns the goods. Assuming, however, that the bailor were handling the goods, on consignment, but stored in his own name, what eventualities might arise, assuming lack of knowledge or knowledge of the consignment feature by the warehouse bailee, against which such bailee should guard. We realize that this is a broad and vague question, but as laymen we feel that upon analysis it may develop information of interest and value to warehousemen.—*India Wharf.*

Answer: The rights of the consignment bailor are superior to all except the owner of the goods. If the consignment bailor relation is known to the warehouseman and the former is acting for

the owner, the latter is responsible so long as the consignment bailor acts within the scope of the employment. If the consignment bailor relation is unknown to the warehouseman and the former is not acting for the owner, then the warehouseman has a lien for his charges.

A warehouseman has a lien on all goods stored in the bailor's name, and also for all money advanced to the bailor, but a lien for money, etc., advanced is invalid if the warehouseman knew that the bailor is not the true owner of the goods.

Transport Certificates

LEGAL EDITOR, *Distribution and Warehousing*: Inform me whether or not it requires a charter or other license to operate a motor freight line to and from Cleveland, Ohio, and Pittsburgh, Pa.?

Answer: The Interstate Commerce Commission has jurisdiction over common carriers which conduct interstate business. Therefore it is required that you obtain a certificate for the purpose mentioned. The Public Utilities Commission, of the two States, also would require knowledge of the character of your business, and probably would require you to obtain certificates from them, under the circumstances that you intend to make local deliveries along the line.

In granting certificates of this nature the Interstate and State commissions consider whether or not the route, over which you intend to operate, is being served adequately at present. If it is decided that the service you intend to render is needed and will prove beneficial to the persons who live on the route, no doubt you will be granted a certificate without undue controversy. On the other hand if the route over which you contemplate operating is adequately served at present, by other common carriers, the commissioners may legally refuse to issue a certificate to you.

See the following recent cases holding to this effect: 209 N. W. 146; 150 N. E. 81; 245 Pac. 720; 214 N. Y. S. 725; 150 N. E. 308; 152 N. E. 20; 252 Pac. 406.

Can Receipts Be Attached?

LEGAL EDITOR, *Distribution and Warehousing*: Merchant X. has stored two lots of goods one of which is covered by a non-negotiable receipt and the other by a negotiable. X removes the goods covered by the non-negotiable receipt on which he owes \$50. He still holds the negotiable receipt, which he has not negotiated. Can the negotiable receipt be attached to prevent negotiation until the \$50 item is paid? If so, what procedure is taken to attach the receipt?—*India Wharf Storehouses.*

Answer: The laws of exemption are to be considered here. Any property of a debtor may always be attached to satisfy a debt, if the exemption is clear. That is, if the debtor owns sufficient property above the amount which the

law prevents creditors from obtaining. Generally this amount is approximately \$1,000 in property and money for a married man.

Why not bring suit and obtain a judgment, if the party is financially responsible? A creditor whose debtor is the owner of a negotiable receipt is entitled to an injunction or otherwise in attaching the receipt to satisfy the claim. The attachment proceedings are the same as in regard to all other property which cannot readily be attached or levied upon by ordinary legal process.

However, if a garnishee, who has property belonging to the principal debtor, gives a warehouse receipt therefor instead of surrendering the property, the courts lose jurisdiction.

"The Lien Is Lost"

LEGAL EDITOR, *Distribution and Warehousing*: Merchant X., having removed all his merchandise from a warehouse, owes the warehouse \$100 for accrued storage charges. Merchant X. then stored a lot of goods and asks for a negotiable receipt.

May the warehouse, in the face of the fact that his lien on an issued negotiable receipt is specific, include the \$100 item as a lien on the negotiable receipt which he is about to issue?

If not, may he refuse to issue the negotiable receipt until the \$100 item has been paid?—*India Wharf Storehouses.*

Answer: When the goods are delivered to the owner, the lien is lost. The warehouseman may not refuse to deliver the receipt on future lots, unless he refuses to accept the goods for storage.

An Employee's Act

LEGAL EDITOR, *Distribution and Warehousing*: Is a shipper responsible for a contract made by his employee to the effect that the shipper will be responsible for changes or injury to goods received for storage?—*Central Warehouse.*

Answer: Yes, if the employee acts within the scope of the employment in making the contract and the terms of the agreement are not against public policy as relieving you of liability for negligence.

However, it is a better plan for you to obtain the signature of the employer, or at least a letter from him, in which he acknowledges the employee's authority to make valid contracts.

Problem of Responsibility

IN the recent case of *John Nix & Co. v. Herbert*, 140 S. E. 121, the question presented the Court was whether a different degree of care is required of an ordinary warehouseman of non-perishable goods and a cold storage warehouseman.

The facts of the case are that John Nix & Co. sued the proprietor of a cold storage warehouse for loss and injury to 4577 barrels of apples stored.

In the fall of 1923 the Nix company,

through its purchasing agent, bought the apples and stored them in the warehouse. No written contract for storage was entered into, but, on delivery of the apples from day to day during the months of September and October, non-negotiable warehouse receipts were issued which later were replaced by the delivery of negotiable receipts.

It was contended by the Nix company that the apples were in sound condition when delivered to the warehouseman but that when redelivered they were affected by the scald two month sooner than this disease should have been present if the warehouseman had exercised care in keeping the apples in storage.

Scald is an apple disease which occurs in storage, and is not rot or shriveling. It is caused by changes within the fruit itself and not by the entrance of an organism therein which produces what is commonly called apple scab or blue mold. The disease occurs most frequently on light colored apples, and, while it does not affect in general the meat of the apple, beyond the extent of the part affected, it does most materially affect the selling price of the apple, as the apple presents an unattractive and an unwholesome appearance.

The reason, according to the evidence of expert pomologists, in placing apples in cold storage as soon as possible after harvesting, is to prevent the appearance of scald.

The lower Court held the warehouseman not liable, but the higher Court reversed this verdict and explained the law, as follows:

"While a cold storer is in no sense an insurer of the perishable goods committed to his care, and is only liable for a breach of the statutory duty imposed upon him, yet, by reason of the peculiar nature of the enterprise in which he is engaged, he stands upon a different footing from that occupied by the ordinary warehouseman. Refrigeration is a mechanical process of comparatively recent origin and requires experience and skill. One who places his goods in cold storage necessarily relies upon the expert knowledge of the cold storer. *The charge for keeping perishable products in cold storage is much higher than that made for the storage of non-perishable goods.*

"One who commits his apples to a cold storer has the right to expect—not preservation, for that is impossible beyond a certain period—but a prevention of decay for a reasonable period, depending upon the circumstances of each particular case. Without this expectation the storage of perishable products would be but a venture.

"The storer, like the carrier, has absolute control of the goods. The owner has no opportunity, except perhaps by permission, to observe conditions, and no power to alter them. It is inconceivable that a cold storer would permit numerous owners of stored goods to have free access to the storage room, with the possibility of raising the temperature each time the door is opened."

This Court, also, quoted the following established rule of the law particularly

applicable to cold storage warehousemen:

"If the bailor (owner of goods) shows by a preponderance of all the evidence that the goods were in good condition at the time they were delivered at the cold storage warehouse, but that when they were returned or withdrawn they were in a damaged condition from any cause not inherent in the goods themselves, at the time they were delivered to the owner of the goods, then the bailor has made out a *prima facie* case: that is, a case sufficient for recovering unless rebutted or explained away by other evidence.

"When such a showing is made, then it is incumbent upon the bailee, the cold storage company, to account for the damage in some manner, and by a preponderance of all the evidence, consistent with the exercise of ordinary care on its part. If the jury should believe from the evidence that the damage to the apples in this case was due solely to the inherent nature of said apples to deteriorate or decay, they, the jury, should find for the defendant (keeper of the goods). In this case the jury is further told that the burden of proof of establishing this defense is upon the defendant."

"Clean Warehouse Receipt"

GENERALLY, a seller is bound to supply a buyer a clean warehouse receipt of merchandise in good condition, free from defects of title and equal to the contract of sale, where it is agreed between the buyer and the seller, at the time of the sale, that the seller may obtain the goods from a warehouse.

However, there are exceptions to this rule, well defined in the recent case of *Standard Rice Co. v. A. Klipstein & Co.*, 157 N. E. 151.

The facts of this case are that on July 19 a seller agreed to sell 200 tons of rice flour, to be packed in 140 pound bags, f.a.s. (free alongside a vessel) in the port of New York, the price to be \$6.08 per hundred pounds actual gross weight, less one pound per bag tare. A clean dock receipt was to be furnished by the seller.

The seller was instructed by the buyer on July 20, 1920, to place the 1000 bags alongside the steamship Anglo-Chilian, bound for Rotterdam, and then loading at Brooklyn. In accordance with these instructions the bags were placed aboard a lighter and carried to the ship. On arrival at the ship they were not discharged, but were kept for five days, because of a controversy between the buyer and his foreign customer.

Later the buyer ordered the seller to remove the flour from the vessel and store it with the Bush Terminal Co. Meanwhile the market price was steadily declining. The buyer tried to minimize its loss by selling a portion of the bags. Failing in this, he sent notice to the seller that he rejected the 1000 bags and canceled "the balance of the contract" on the ground that the seller had failed to furnish a clean warehouse re-

ceipt certifying that the bags were without holes, or other blemish, and that the shipment was complete as ordered.

However, the Court held that under the circumstances the seller was not required to furnish a clean warehouse receipt, and said:

"The contract did provide that the seller should furnish a clean receipt, which, in the usual course of business, would have been exchanged for a bill of lading upon the departure of the vessel. At the defendant's (buyer's) request and for its own convenience solely, delivery at a warehouse was substituted for delivery at the side of a vessel in the harbor. The bags were where the defendant (buyer) could inspect them at its convenience. There had ceased to be that need for a certificate that may be thought to be present where merchandise is in transit."

False Receipts

IT is well settled that any person or firm that induces another to loan money on warehouse receipts, known to be false, is liable for the losses sustained by the defrauded party. However, a person who exercises ordinary care to know that the receipts are genuine is not liable for financial losses sustained by another as a result of loans made on such receipts.

For example, in *McCauley v. Georgia Railroad Bank*, 157 N. E. 125, the testimony shows that Barrett & Co. was a cotton factor and buyer. The business was the largest in Augusta, Ga. It is claimed to be the largest cotton house in the world. Its credit standing was known to be good. It handled 100,000 to 200,000 bales of cotton a year. The Allied Compress Co. was a Georgia corporation, and Barrett was its president. It had no warehouse of its own but leased a building or compartments from the Atlantic States Warehouse Co., which had a large plant consisting of thirty acres, located three miles from Augusta. It also leased compartments to the Independent Warehouse Co., a third cotton warehouse.

The Bank of Charleston, S. C., was Barrett & Co.'s financial agent in the South and gave it a large line of credit, placing its paper with other banks. It had placed millions of dollars of Barrett & Co. loans in this way. The National Shawmut Bank, in September, 1922, made an arrangement with the Bank of Charleston whereby the Shawmut Bank agreed to extend Barrett & Co. a line of credit to handle its spot or transit business to the extent of \$250,000 in the form of a demand note secured by cotton collateral, to be handled through the Bank of Charleston. A loan agreement was entered into on Sept. 13, 1922, between Shawmut Bank and Barrett & Co. Various loans on this account were made and payments were made thereon, the last payment being \$100,000 on July 6, 1923.

The money was advanced to the Barrett company bank, through the Bank of Charleston, by the Shawmut Bank by advice of the Georgia Railroad Bank.

The Shawmut Bank sued the latter bank for losses sustained when Barrett & Co. became bankrupt and it was disclosed that the warehouse receipts were worthless. The Court held the Georgia Railroad Bank not liable and said:

"The rule of law applicable to the facts may be definitely stated. If defendant (Georgia Railroad Bank) acted as agent for the Shawmut Bank in these transactions, although it acted under the general direction of the Charleston Bank in receiving, holding, and releasing Barrett & Co. collateral, its duty was that of due care under the circumstances. If it had knowledge of sufficient facts as to the worthlessness of the warehouse receipts and the failing circumstances of Barrett & Co. to put it on its guard, it was bound, in the exercise of a high degree of fidelity and diligence in the performance of its duties as such agent, before accepting such collateral, to communicate its knowledge to its principal so far as the same might be material for the principal to know for the protection or preservation of its interests."

Increasing Storage Charges

TWO questions that often demand correct answers are: (1) May a warehouseman legally increase the storage charges by simply notifying the owners of the goods? (2) May a warehouseman legally increase the storage charges on goods for which negotiable receipts are issued and the holders thereof are unknown?

In view of the importance of these questions it is well to discuss the subject from the practical standpoint of two different classes of warehousemen.

First, we shall consider the class of warehousemen who accept for storage cotton, tobacco and all other merchandise which is received in storage with an implied understanding between the warehouseman and the owner that the same are being stored for an approximately definite period.

This class of warehouseman was considered by the higher Court in the case of *Cowart & Danger v. Bush*, 139 S. E. 920, decided within the past few weeks.

The facts are that various owners stored cotton in the Cowart & Danger warehouse. The latter decided to increase the storage charges and notified all of the known owners of the new rates. The unknown holders of the warehouse receipts, of course, were not notified.

The Court held that none of the owners of the cotton was required to pay the increased rates, and stated the law as follows:

"Where the owner of cotton places it in storage with a warehouseman at an agreed or implied rate, the charges on the cotton already stored could not be increased unless the party storing it expressly or impliedly consented thereto. This is true notwithstanding the receipts issued for the cotton were negotiable, and for this reason the warehouseman may have had no exact knowledge as to the ownership of the cotton

at the time of the proposed increase in the storage rate. There was no presumption that the receipts were negotiated and, furthermore a bailee for hire not only has a lien for his charges on the thing deposited, but the bailor, in the absence of agreement to the contrary, continues to be personally liable for such charges, and it is not necessary that the warehouseman should look to the cotton or to whomsoever the receipt for the cotton may have been transferred."

During the litigation the warehouseman attempted to introduce evidence showing that the holders of the negotiable receipts were informed of the increased rates, because the fact of increase was generally known. However the Court refused to permit this testimony to be introduced to the jury.

It is important to know that the foregoing rule of the law does not apply to the second class of warehouseman, who accept goods on the usual month-to-month contracts for storage.

In other words a warehouseman who accepts goods for storage with the understanding or agreement that the charges are payable monthly, and the contract stipulates the monthly storage, the warehouseman may at any time notify the owner of the goods that the increased storage charges are effective the beginning of the succeeding storage month. It is, however, considered ethical practice for the warehouseman to give customers at least three months' notice.

Moreover, warehouseman in the first mentioned class may reserve the right to increase the storage charges by including in the contracts, signed when the goods are received, the clause that the storage charges are subject to change upon notice, by the warehouseman, to the original holder of the warehouse receipt.

Liability of a Surety

FREQUENTLY the question is presented the courts as to whether a surety for a warehouseman is liable for damaging acts of the latter not performed in the usual scope of the business of warehousing.

For example, in *Indemnity Insurance Co. of North America v. Archibald*, 299 S. W. 340, it was disclosed that an indemnity insurance company was surety on a bond guaranteeing that a warehouseman would faithfully perform its duty as a public warehouseman, in accordance with the law.

Controversy arose when the warehouseman misappropriated \$960 collected from a C. O. D. shipment made from the warehouseman's stock by authorization of the Lancaster Products Co., one of its customers.

The Lancaster company sued both the warehouseman and the insurance company to recover the value of the C. O. D. shipment. The insurance company admitted that the evidence proved that the warehouseman had shipped stored goods C. O. D. \$960 by order of the Lancaster company and that the warehouseman had failed to pay its customer the amount

collected from the carrier, but contended that the act of shipping the goods was not within the prescribed legal duties of a warehouseman.

However, in holding the insurance company liable on the bond, the Court said:

"The duties of the Southern Forwarding Co. to ship the C. O. D. packages, to collect for same, and to remit the sums collected, are only contract or assumed duties created by long-established custom and usage. Any person who by virtue of his office or employment receives into his custody the money of his principal must account for the same, and his failure to do so constitutes a breach of trust; and if such person has given bond for the faithful performance of his duties, both he and his sureties are liable and may be sued. The handling of C. O. D. packages, while not prescribed as a duty of a warehouseman, was not prohibited by any statute; it was in direct line and in furtherance of its own business, and, according to the evidence, was in line with other warehousemen, and was customary and usual. Insurers in such cases are bound with a knowledge of assured's business and its nature."

Storage Charges and Mortgages

THE Supreme Court of New York in an important recent case (224 N. Y. S. 71) thoroughly discussed the legal rights of a warehouseman to collect storage charges on mortgaged property.

The facts of the case are that the Manhattan Storage Warehouse had in storage two chairs, both of which were mortgaged. The mortgages were dated Nov. 1 and Nov. 10, 1926, which was before the goods were placed in storage. The first mortgage was regularly recorded in the county of New York on Nov. 22. The other mortgage was not filed.

The furniture dealer foreclosed both mortgages and the warehouseman entered a claim for \$53 storage charges. He contended his lien was superior to both the chattel mortgages.

The Court held that the warehouseman was entitled to full payment of storage charges on the goods on which the mortgage was not recorded, but that he was entitled to payment of the storage charges on the furniture, the mortgage of which was recorded, only from the date he received the notice of the suit. This Court said:

"The plaintiff (furniture dealer) was entitled to possession of the goods and the right to remove them, and it exercised this right by giving notice to the defendant (warehouse company) as hereinbefore stated, and therefore the plaintiff (dealer) became liable for the storage charges thereafter accruing. It is not necessary for this liability to attach that the plaintiff (dealer) should have taken actual possession of the property stored. Constructive possession or any act done indicating a purpose to take control or management of the property, makes the party liable for the subsequent storage of the property. It is elementary

that the plaintiff (dealer), having neglected and failed to file its chattel mortgage with respect to the Cogswell chair, the lien of the defendant (warehouseman) is superior to that of the plaintiff (dealer) as to this chair."

Bailee's Liability for Theft

IN *People v. Goldberg*, 158 N. E. 680, it was held that a bailee, employees of the bailee and all persons implicated in the conspiracy to steal stored goods, may be guilty of larceny, as well as other offenses, such as receiving stolen goods.

The facts are that the owner of a supply company purchased goods stored in a warehouse. It was alleged that the supply house owner conspired with employees of the warehouse and induced them to include secretly in the shipment certain goods not listed for sale.

In commenting upon the liability of the parties, the Court said:

"A person by one act may commit several offenses, and there is no objection to charging him in separate indictments with these several offenses. An acquittal or conviction of one will not be a bar to prosecution for another. . . . The employees had custody of the stock of goods in the warehouse, and a taking of them by these employees and their confederates would constitute larceny."

Common Carriers

TRANSPORTATION certificate of common carrier is revocable if the holder of the certificate fails to pay tax, uses unauthorized equipment, abandons any portion of the route or operates under unauthorized schedules (158 N. E. 591).

Carrier is responsible for delivery of goods transported under order notify bill of lading, without complete surrender of the bill of lading (140 S. E. 43).

Carrier is liable for failure to deliver goods within a reasonable time in view of the circumstances after accepting shipment (299 S. W. 93).

The initial carrier is liable for loss or injury to goods by failure to supply a reasonably safe and suitable car (140 S. E. 77). But where suitable car is supplied by the initial carrier the legal presumption is that the damage was caused by the last carrier (158 N. E. 663).

Chattel Mortgage

WHERE mortgagee arranges to store goods in his own name, he is liable for all charges (215 N. W. 844). A mortgagee is responsible for failure to obtain highest price for goods sold on foreclosure proceedings (22 F. (2d) 211).

Possessor of Stolen Property

IN *Union Terminal Warehouse Co. v. Roberti*, 261 Pac. 324, an innocent purchaser of goods stolen from a warehouse was held liable to the warehouseman for the full value of the merchandise.

The Planning of Modern Warehouses and Their Construction

By O. Y. LEONARD*

THE location of a warehouse need not, and preferably should not, be on the main street if the tax assessment of the property there is excessive. A location just off the main thoroughfare will often give good advertising facilities. Here also there is less congestion of traffic that would hamper the entrance and exit of vehicles loaded with goods.

Apartments are good feeders to the furniture warehouse, while private homes are not.

Shipping facilities are more important with commercial and cold storage warehouses. They should be located where they will get through freight rates and at good distribution centers.

In securing necessary finance it often pays to employ a broker, whose charge may be 1 per cent. When you approach a financial or loaning institution in person, if your proposition is turned down you may have no means of approaching it again. You have had your answer. On the other hand the broker if he meets with refusal in the

forenoon may be back in the afternoon, or earlier, again to take up the matter. Perhaps the second time he "lumps" your proposition in with another or others that are attractive to the financier and says "Take the lot." The result is that your loan goes through when it possibly would not have gone through in any other way.

The broker is usually well versed in the proper "setting up" of projects. He presents the facts in such a way that they instantly catch the eye of the financier. You may present the same facts but they will be so obscured that the bankers will never see them at all. The architect's aid is essential to bring out the important features, potential earnings, etc.

In planning a warehouse give your architect a word picture of the building you desire and let him advise you as to the location you are selecting and regarding the architectural treatment that should fit in well with the location.

Stairways—Elevators

ARE you buying a 150-foot deep lot whereas only 100 feet of this can, under the local zoning law, be used for industrial purposes? A corner lot often permits one to build the full depth of the lot, whereas an inside lot would require a rear area to be left. A corner lot permits a side entrance for the trucks, thus not cutting up your front with a driveway entrance, and you are able to use the space for offices or stores.

When your ideas are placed on paper, frequently conditions are shown which had not been noted previously. Plenty of time spent in planning your building may save considerable expense in construction and give you a building more to your satisfaction.

It costs but little so to frame the respective floors that a section of the slab is easily removed and will allow the installation, at a later date, of a passenger elevator. It adds to the convertibility of the building.

Stairways should have a width of 3 feet 8 inches in order to meet the

*Of Lewis & Leonard, architects and engineers, New York.

PUBLIC storage executives who are planning new construction will find valuable the accompanying information, which the author has prepared based on close contact with individual warehousemen's building problems and their successful solution. Mr. Leonard discusses the subject from the aspects of location, financing and lay-out, and presents many pointers of interest.

labor board ruling under which your building will come if it is to be occupied by stores or for other mercantile purposes. It is an aid in securing finance to be able to say, "The building is so designed that it is readily convertible for office or factory purposes." When two exits are required, one can often be secured through an adjoining exit of another property. In other cases a fire escape will meet the requirement.

Soil Conditions

UNLESS it is certain what the earth-bearing value is at foundation depths, a small amount spent in borings will often save thousands of dollars in the end. It may show you that the cost will be greater than you care to carry to build on the plot, and that another location without the expense will serve you equally as well. It takes the guesswork out of design. You know the bearing value, the exact level you should place your footings, where water level is, etc. It settles the question often as to whether you should waterproof your basement or whether that expense can be avoided.

The contractor in making his proposal on your building knows what the conditions are and does not need to insert that thousand dollars to take care of pumping or some other contingency.

Sometimes one boring in front, one in the center, and one in the rear of the lot are sufficient. Three in front, three in the center, and three in the rear will give a good picture of the underlying strata of earth or rock. The average charge of a wash boring is \$1.50 a foot, so that for \$150 or \$200 the footings

are placed at the proper depths, and no delays are caused while plans are being changed and "extras" figured to meet the conditions.

If rock is encountered, it often means, instead of a basement, an additional story above grade. It means, too, that a small footing with little steel in it will be required, thus saving on foundations.

The Walls

ON the street fronts, a face brick with stone trim designed in keeping with the purposes of the building, and not too ornate, carries a feeling of solidity. Rear walls can be faced with common brick.

The omission of spandrels eliminates the great care necessary to waterproof walls against leaks and permits of impressive high brick panels. The most essential thing in the construction of exterior walls is waterproofness.

Walls may be backed with solid brick or back-up tile. In either case waterproof mortar should be used. It is also essential that all lintels, copings, sills and washes should be carefully waterproofed, as these are the most vulnerable points in the building.

The walls should be built 13 inches thick to allow for a continuous waterproof filler directly back of the facing. To get this continuous effect it is necessary to back-plaster the facing as it is being backed up.

For rear walls concrete is sometimes used, with furring tile on the inside, allowing a 1-inch air space, but great care must be used to get plumb and good appearing surfaces. Cracks and leaks can be avoided with proper reinforcing, waterproofed expansion joints, and integral waterproofing in the concrete.

Many architects are finding that it is not the brick that is absolutely non-absorptive that secures the most nearly waterproof job. If water will not penetrate the brick at all, the mortar also seems to get little bond and is more difficult to lay and keep from sliding. A brick therefore that has some absorption seems to give the best result. Workmanship, however, in laying the wall, must always be the best. It requires only one small opening through the wall to make it a leaky wall. The necessity of using waterproofings on the face of walls is something to be avoided. These, repeated every three or five years, usually give a dirty appearance to the wall, as demonstrated on the exteriors of many buildings.

The Office

THE mezzanine well or the extension of your office to the mezzanine floor ceiling is all right for certain conditions,

A year-round reference volume on the desks of national distributors is the annual Warehouse Directory. It is the book they consult when selecting warehouses to store and distribute their products.

as where a part of the offices are to be on the mezzanine, or to meet the requirements of a bank that is going to occupy this portion of the building.

But there are other ways of getting an attractive office than wasting perhaps 4000 cubic feet of space that at 1½ cents a foot would give an earning of \$720 a year. If the well is used, it should be separated from the mezzanine floor by an inclosure, such as plate glass or casement sash as may be desired.

You will find that the heating of the office is more difficult with the open wall. The air seems to rise to the mezzanine and "pocket" there. If the open wall is used, these facts should be borne in mind.

When it is convenient in relation to the heating plant it is desirable to place the chimney in the back corner of the stair hall. A certain distance is required for the swing of the stair hall door from first riser and this gives a space in the extreme back corner of the stairway inclosure that would accommodate the chimney and thus avoid using valuable space in other parts of the building.

At the foot of the chimney may be placed an incinerator for the disposal of refuse from packing, etc. The simplest type, merely some grates in a fire brick inclosure as manufactured by the Kernerator Co., is all that is necessary. The use of the incinerator reduces fire hazard from rubbish left lying about; it avoids clogging the boiler and enables the warehouseman to keep his warehouse orderly.

Rooms

By having the rug vault open into the landing space by the freight elevator, a turning space is provided that is always left open and obviates using other valuable space.

Where sliding doors are used to the passenger elevator there is only one door of the sliding type that is acceptable to the underwriters and thus avoids a penalty. The Dahlstrom hollow metal door meets the requirements. A kalamain or metal-covered door is not approved; these are approved in swinging doors but not sliding. Your insurance broker may sometimes "get by" without a penalty, and the same applies to other features of the building. It is better, however, to call for the door or other item to meet their requirements.

Many warehousemen are dividing their open floors by placing one longitudinal partition on the center line of the building and cross partitions or bulkheads at intervals, to bring the areas within the 400 square feet allowable, placing doors in these bulkheads where the aisles come.

These partitions readily form a part of your future construction of rooms, if you desire the latter, and in the meantime give you the same insurance rate.

Where the floors are laid off into private storage rooms the aisle partitions should be 4 inches whereas the

partitions between rooms may be 3 inches. Some are using merely a wire mesh for these intermediate partitions.

On rooms 10 feet deep, every 40 feet there should be a 4 inch partition to keep the storage area within the allowable 400 square feet.

The rest of the intermediate partitions do not benefit the insurance rate and could be omitted entirely.

Some warehouses have freight elevators with guides placed in the corners, permitting the whole side of the elevator to open up paralleling the aisle, which facilitates the loading and unloading of goods.

Some Insurance Tips

Here are some other points affecting insurance rates (New York ruling):

Open storage space is not to exceed 25 per cent of the total area. This if exceeded carries a large penalty.

Slope floors to scuppers at the end of the aisles.

Use waterproofing in topping of floors. A metallic finish hardener meets this requirement and at the same time gives a better wearing floor surface.

Avoid through construction joints in slabs (use waterproof expansion joints).

Use wrought iron pipe sleeves where pipes pass through the floors, extending them above the floors 6 inches.

Use Underwriters sash in all openings against other properties.

Use labelled doors to private storage rooms.

If the building is seven stories or higher, a stand-pipe system will benefit the insurance rate. The place preferred by fire departments for this fire line with hose is in the stairways. This gives one access to the hose in case of fire without the difficulties that might be encountered if placed elsewhere on the floor. The number of fire lines required depends on area of the floor.

Place fire extinguishers on each floor (the number depends on the area).

Place "No Smoking" sign on all floors.

A watchman service will give a further reduction in rate.

These are some of the important points to be considered in your building to secure low insurance rates.

Correction

An error in checking listings for the 1928 Warehouse Directory, published as part of the January, 1928, issue of *Distribution and Warehousing*, resulted in omission of the starred listing of the Central Storage & Forwarding Co., Chicago.

Owners of the Directory should accordingly make the following insertion:

Central Storage & Forwarding Co.★ 3932 So. Lincoln St., Central Manufacturing District. Pres. & Treas., G. M. McConnell. V.-P., L. M. Nicolson, V.P., Gen. Mgr., Oper. Exec., Assist. Sec. & Assist. Treas., J. U. Nicolson. Est. 1919. Inc. S. B. Whse.: (MDSE) above address, 650,000 sq. ft., reinforced concrete, sprinklered; prov. siding, Chi. Junction Ry. Consign all shipments to Station No. 6, Chi. Junction Ry. Dist. Mdse. pool cars. City & interurban delivery of Mdse. Assoc: AWA IAW.

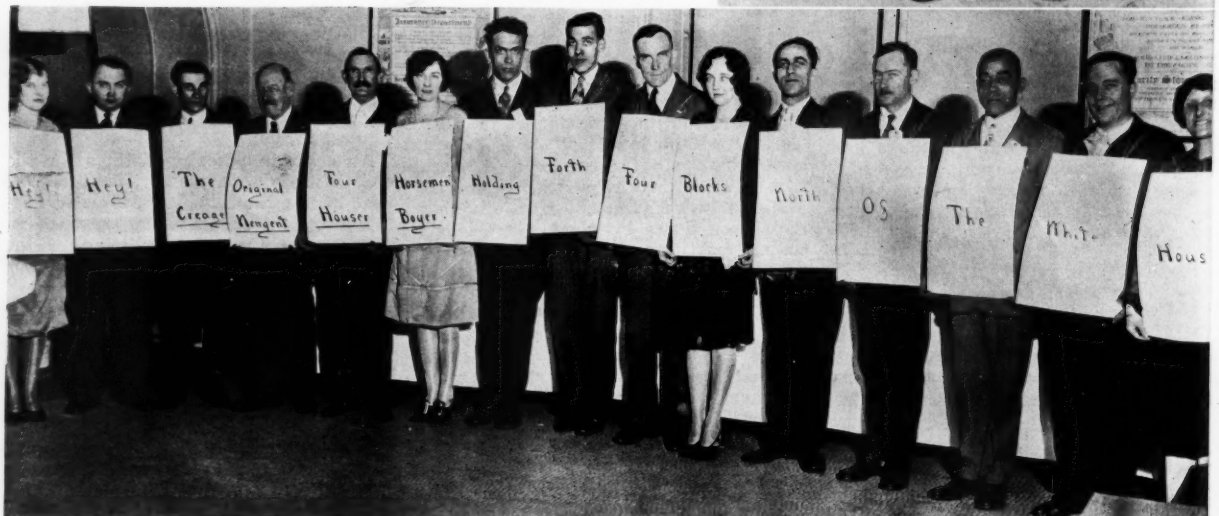
Distribution and Warehousing's Pictorial



Left—STORAGE ON DISPLAY. Exhibit which the Wagner Fire-proof Storage & Truck Co., Springfield, Ohio, installed at the Central Ohio Industrial Exhibition, Feb. 18-25, at a cost of \$450. Each day 1,200 visitors competed for prizes in a contest as to number of pounds the company transported in 1927. Correct answer, 90,435,520 pounds. One enthusiast guessed 576,000,000,000 pounds.

Right—"EAST SIDE, WEST SIDE." Camille and Joe Meyer in the costumes that won them prizes at Hollywood, Fla., convention of National Furniture Warehousemen's Association. (Now turn to page 27.)

Below—A QUARTER-CENTURY IN SERVICE. Part of the ceremonial tribute by the Security Storage Co., Washington, D. C., to Francis I. Creager, Peter Boyer, Frank Houser and Samuel E. Newgent, commemorating their association with the firm for twenty-five years or longer.



Review of the New and Interesting

Right—WHAT A NEWS-PAPER CAMERA MAN SAW. Two Lincoln Storage Co. (Cleveland) vans, en route to New York City with loads of household goods, drove in where other trucks hesitated, and led the way through flooded Batavia, N. Y.

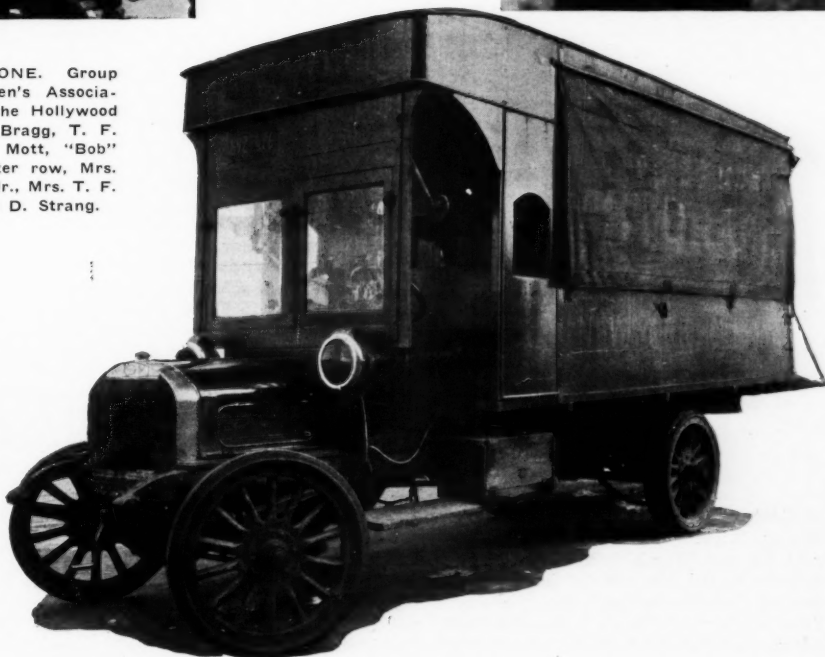


Right—A CONVENTIONAL SMILE. W. D. Nesbit, president of the Warrant Warehouse Co., Birmingham, Ala., snapped at the French Lick meeting of the American Warehousemen's Association.



Above—OUTSIDE THE "PROHI" ZONE. Group of National Furniture Warehousemen's Association delegates in Havana following the Hollywood convention. Top row, Herbert N. Bragg, T. F. Murray, Grant Wayne, Van Wyck Mott, "Bob" Ferguson, W. J. Montgomery. Center row, Mrs. William F. Hahn, Mrs. R. C. Knipe, Jr., Mrs. T. F. Murray, William F. Hahn, Charles D. Strang.

Right—A VETERAN OF THE ROADS. Eighteen years old and still operated on long distance jobs. One of the oldest Mack trucks extant. It was originally purchased in 1910, was traded in 9 years later, and is now owned by the Laurel Hill Auto Vans, New York City.



"Two Bits" is replete
with thinking that is
constructive—

TWO BITS

—Read this month's
issue and then send us
some contributions.

Vol. VIII. No. 10

A Bit Here, A Bit There

Gotham, April, 1928

Commentation of an Editor Who Has Put Off Writing "Two Bits" Until the Afternoon of the Last Day of Going to Press. The Spaces Below Represent Constructive Thinking. You Should Read Between the Spaces.

WHAT are you going to put in *Two Bits* this month? Well, how do I know? Well, you poor sap here it is the 23d of March and all your other April issue pages are O.K'd and the printers are yelling their heads off for page 36.

You ought to do your *Two Bits* page earlier in the month and get it out of the way. I guess you're right. I will next month. Yes, you will! Yes, I will—wait and see if I don't. But I probably won't though. I'll probably leave it till the last minute just as I always do. Well the darn page is getting to be a nuisance. Nobody in the industry seems to want to contribute like they used to.

They used to send me poems and golf items and fool letters and it was a cinch to fill the page. Some of the poems were so terrible they were funny but they took up space. Even a terrible poem is better than having to grind out a lot of crazy stuff myself. Well how about publishing some more of the adventures of Pellionella, Biselliella and Tapetzella, the three lady moth-detectives? I'm going to, pretty soon, but I've sorta got the three of them into difficulties and my imagination hasn't got them out yet.

You have to have imagination to write that sort of drivel. Imagine a trade paper editor having imagination! That's a laugh. Well, I don't know what to write about. George the office boy has a new green shirt and a green tie to match and has worn the two of them for a week. At that, maybe he's got several of each, all the same color. I'll have to ask him. Here he comes now with the afternoon mail—maybe there'll be something in it to furnish inspiration for the rest of this *Two Bits*. Say, that was a hunch.

Here's a letter from George Walt, president of the Lansing Storage Co., Lansing, Mich. It answers a letter we wrote George March 2 apologizing because we called him "Welt" in a recent issue of *Distribution and Warehousing*. "Your apology of March 2 was received and accepted," George writes. "The writer

is wondering if it would not be a good idea to change the buttermilk diet to something stronger, also whether or not it might be a good idea to lay off using moths for playmates." George is alluding to the glass of buttermilk which Ralph Wood, secretary of the N. F. W. A., had delivered to us by a hotel bell-boy right in the middle of a convention one afternoon and also he is alluding to Nella, Liela and Zella, the three moth-detective ladies. That shows that *somebody* reads what I write. Wonder how I came to spell George's last name with an "e"? Here's a letter from Ben Brockway, secretary of Dunham & Reid, Inc., New York, thanking Andy Murray for the *Distribution and Warehousing* golf club which Ben won in the N. F. W. A. convention tournament at Hollywood last January. Maybe you remember how we kidded Ben in the February *Two Bits* because Ben wore a pink tie. Well here's what Ben writes now: "I wish to thank you for the beautiful Spalding driver delivered to me yesterday. The prize was a surprise to me, as I was not aware that my bum southern golf had 'brought home the bacon.' It just goes to show how bum the other fellows were—*N'est-ce-pas?* However, with this new addition to my golf bag. I shall try to be the *ne plus ultra* of 'Warehousemen Golfers.' P. S. Don't show this letter to Kent, as he may say my French and Latin are as bad as my choice of neckwear. If he wants to know which is the French and which is the Latin don't tell him, because he may get the idea of writing up his bum jokes in foreign languages." Ben should not make such free use of the word "bum," especially as his letter shows that he dictated it to a stenographer, but otherwise the letter is O. K. as it helps to fill up space. Here's a note from the printshop telling me to hurry up with the *Two Bits*. Mr. Victor, the writer, reminds me that it's 4.15 p. m. Friday afternoon and that I must get the copy down for the night staff to set if I expect to get the April issue off the press by Monday so it can reach subscribers by April 1. Well I'm hurrying ain't I? Sure I am. You can't just wave your hand and produce copy. You've got to sit down at the typewriter and think. Writing and thinking require time. Mr. Victor should be patient. So far as I know, the subscribers are not going to get mad if the paper shouldn't reach them till the 2nd, or even

the 3d. That's all there was in the afternoon mail—the letters from George Walt and Ben Brockway. I'll have to find something else to fill the rest of the space. Let's see. Gosh, I nearly forgot.

I had lunch this noon at the Pennsylvania Hotel with Ed Lee, president of the A. W. A. Ed had scrambled eggs and kippered herring. He said it was his breakfast but he didn't say where he was last night or explain why he was eating breakfast at noon! Ed says they're talking about holding the next A. W. A. convention in California. I hope they do. I've never been to California. I foresee that I'll have to write next February's *Two Bits* about two months in advance if they hold the convention in California. That will be one time when I won't be getting notes from Mr. Victor telling me to hurry along the *Two Bits* copy on account I'm late with it. Sam Spear, president of the Massachusetts Warehousemen's Association, was in town yesterday. Sam left New York without taking his specs with him, so I hear. If it's raining in Boston today the way it rains sometimes in Boston I'll bet Sam is having trouble finding his way around without his specs with him. Maybe he's got an extra pair.

These wealthy warehousemen can afford an extra pair of specs. It's not like being a trade paper editor who is lucky enough even to have one pair. That ought to fill this month's *Two Bits*. It's just a problem of constructive thinking.

If you think hard enough you accomplish. And don't let others do your thinking for you. Do your own thinking. If others think for you they're liable to think what you'd never think of thinking yourself and they might think wrong even though all the time they might be thinking they were thinking O. K. That's philosophy. I'm a better philosopher than I thought I was. Here comes Mr. Victor's boy with another snappy note. Well, here you are, Vic.

Here's your copy. Now lay off me for another month, will you?

BOOKS AND PAMPHLETS OF INTEREST TO THE INDUSTRY

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING

249 West 39th Street, New York City

Distribution and Warehousing's Warehouse Map of New York City

Price \$2.00

This map, in colors, and produced for us by Rand, McNally & Co., sets down the geographical location of every public warehouse company—merchandise, household goods and cold storage—listed in the New York City sections of our 1928 Warehouse Directory (January) issue. Each company is designated by a number, and the companies' names and their corresponding numbers are shown.

On regular map paper, with metal edges top and bottom. Size, 23 by 33 inches. . . . For the shipper of commodities and household goods into the New York territory this map will be found invaluable.

Corporations Doing Business in Other States 5.00
State Regulations and Requirements
By H. A. Haring

The Distribution Age 3.20
A Study of the Economy of Modern Distribution.
By Ralph Borsodi

The Distribution Census of Baltimore 0.25
The Government's first census of any city's wholesale and retail trade.

Household Goods Warehousing in the United States 6.00
Selection of site, building design and construction, accounting, stowing, insect control, estimating, cartage, packing, rates, insurance, etc.
By Clarence A. Aspinwall

"I'll Never Move Again" 2.20
Humorous experiences of a man who has moved fifty-two times.
By Fitzhugh Green

The Merchandise Warehouse in Distribution 0.10
A Department of Commerce publication.

Pegasus, or Problems of Transportation. 1.10
An account of "cross-country" vehicles which will achieve a revolution as great as those caused by railway.
By Colonel J. F. C. Fuller

The Railroad Freight Service 5.20
Practical information for traffic executives.
By Grover G. Huebner and Emory R. Johnson

Standard Contract Terms and Conditions 0.05
A Department of Commerce publication.

Traffic Management 3.70
A comprehensive treatment of traffic management.
By G. Lloyd Wilson, Ph.D.

United States Warehouse Act 0.05
Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

Warehouse Directory (subscription to *Distribution and Warehousing* included) . . . 3.00
The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1928 edition appeared as part of the January issue of *Distribution and Warehousing*. Extra single copies, each 1.00

Warehouse Forms 0.10
Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing 10.00
Trade customs and practices; financial and legal aspects.

By H. A. Haring
This book, with 1 year's subscription (including the Warehouse Directory) to *Distribution and Warehousing* 11.00

Warehousing General Merchandise—An Encyclopedia
Prepared by the American Warehousemen's Association.
Regular Edition to A.W.A. members: Vol. I, \$10;
Vol. II, \$5. Both 12.50
Regular Edition to non-members: Vol. I, \$15;
Vol. II, \$7.50. Both 20.00
De Luxe Edition (limp leather binding, India paper) to A.W.A. members: Vol. I, \$15; Vol. II, \$7.50. Both 20.00
De Luxe Edition to non-members: Vol. I, \$20;
Vol. II, \$10. Both 25.00

Please. Send Payment With All Orders

THE BUSINESS MAN'S BOOK SHELF

"The Economies of Installment Selling"

"The Economies of Installment Selling,"
By Edwin R. A. Seligman. 2 vols. 979
pp. \$8. Harper & Bros., New York.

THIS book is one of the most important, if not absolutely the most important, business book published of recent years. The author is professor of economics at Columbia University and one of the country's leaders of thought in his field. He was assisted in this work by several professional economists, whose contributions constitute much of the second volume. More than that fact is the circumstance that the whole undertaking was made possible by the General Motors Acceptance Corporation, which is known to have financed the investigations, with the original suggestion for the study coming from the Bankers' Trust Co.

It was the feeling of the bankers, three or four years ago, that installment selling had become so huge and had aroused so much question in financial circles that it would be wise "to interest one of our foremost economists in a study of installment selling in order to get an outside, independent and unbiased analysis of the system and its effects. If we were wrong, we wanted to know it. If we were on fundamentally sound ground, we wanted to know that also." Hence the long and exhaustive study, the results of which fill these two rather imposing volumes with their 1000 pages of text.

A reader must not expect light reading when he attacks these volumes. They are by no means fiction. Rather do they savor of conventional academic style, which means that the author has made no attempt to entice perusal by literary or human-interest writing. He states facts; he presents conclusions from exhaustive investigations; he gives a staggering wealth of details. The reader must expect to work his way through the whole, but we venture the prediction that if any business man once reads twenty pages of either volume he will be carried to the end of the final chapter of volume two. There is about the book—despite the sheer mass of its material—so much of vital importance to business methods of today that any alert man needs the whole story of installment selling as told by Professor Seligman.

The author's effort has been to investigate the "economic morality" of installment selling. He calls it a "new-fangled device which has not yet been tested by experience" and his purpose has been to answer the moot questions "Is it right or wrong?" and "Is the result more good than bad?" and "Does it mean that more goods are sold than when all sales are for cash?"

Contents of the Volumes

The first volume states the author's conclusions; the second contains seven detailed investigations (chiefly carried on by assistant investigators and a corps of field workers), from the results of which studies the main conclusions of volume one became possible. These seven studies of volume two cover the following most interesting topics:

- Installment selling in real estate.
- The volume of retail sales.
- The consumers' study.
- The merchandise study.
- The dealer study.
- The repossession study.
- The depression study.

Merely to glance over these seven titles makes one desire to read the book. They suggest that here may be found careful collection of all the evidence on the many questions involved in this method of merchandising.

Inasmuch as General Motors was responsible for Professor Seligman's work, it is to be expected that this study into consumers' credits should have special reference to the automobile.

Intensive investigations were made into installment methods for real estate, jewelry, furniture, clothing, hardware, subscription books and particularly for automobiles, the endeavor being all the time to bring together all available information as to the extent of such credits, the method of handling and of safeguarding installments, and to answer the query "Is it safe or dangerous?"

The author makes a lower estimate of the extent of installment sales than platform speakers sometimes give, especially if they happen to be lambasting installments. He finds that the nation's total retail trade is about \$38,000,000,000 a year and that of this sum something less than 12 per cent, or \$4,500,000,000, is handled through installment buying, while the total of installment notes outstanding at any one time averages less than half this amount, or about \$2,000,000,000. Of this grand total, the installment notes for automobiles, of course, lead, with furniture holding second place and showing a volume of one-half that for automobiles.

Thus, in the judgment of Professor Seligman, "this new-fangled device is beginning to do for the consumer what the old banking system has done for the producer" by financing his needs. He is of the opinion that installment buying increases the total demand for goods; also that, as a result of time-buying, the consumer is enabled to earn more income, to work more efficiently and happily, and, in the end, to buy more goods. In this respect he draws a distinction between the man who buys, on credit, a package of cigarettes, and the one who buys an automobile. He thus put the difference:

"Much of the apprehension regarding installment sales rests upon the conviction that it is unsound to use or consume first and to pay afterwards. If I buy a package of cigarettes on credit and smoke them, the seller must look for his payment elsewhere than to the security of what he has sold to me. But if I buy more durable goods, such as an automobile, each time I pay an installment I am paying at the beginning for the use of the automobile in the future. Credit granted the purchaser of cigarettes must be liquidated after consumption; credit granted to the buyer of the automobile is liquidated before consumption. The purchaser of a new car has a stock of unused transportation of which he may and often does again sell a portion. In other words, the sale of a new car is really the sale of only a fraction of a car, the fraction depending upon the time that the buyer may be expected to drive it. The purchaser of an automobile, in other words, pays at each periodic installment for something that he will utilize in the future. The essential service of installment credit is that the individual secures an immediate enjoyment of goods which could not otherwise be obtained until the future. . . . The consumer must decide whether, by purchasing something durable on installments, he is getting more satisfaction than if he were to spend his money at once on something ephemeral, like a succession of good dinners. . . .

"We have found that installment credit also influences the capacity of the individual to pay. This is due to the fact that the possession of an article, which he otherwise would not get at all, will give him augmented satisfaction which will increase his efficiency. If this be true, installment selling—not, indeed, of low-grade merchandise like cigarettes, but of high-grade commodities typified by the automobile—will tend, and it does tend, not to enslave the individual, but to liberate him."

A Defense of Installments

It may be stated that Professor Seligman's book defends the "economic morality" of installment selling. Many more practical questions are barely touched in his studies, among them such matters as: a clear distinction of what goods can and what cannot safely be sold on installments (cigarettes and automobiles perfectly picture the extremes, but many com-

modities lie between these two); the additional cost to the consumer through time-payments; the abuses that arise from "financing charges" and other costs that are added to the cash cost of the goods; the details of repossession and the protection of the purchaser for partial payments already made; the ethics of dealer methods toward consumer when repossession enters, etc.

These shortcomings should not, however, obscure the great fact that this book is one of the most important business books of recent years. Since its publication no business man can justly lament over the evils of easy payments without first making sure of the facts. Before declaring that a man is hopelessly mortgaging his future with installment obligations, you owe it to yourself to read these two volumes, for the writing of which three or four years were devoted with all the facilities of the financial world at the author's disposal. After such a thorough-going study the author is of the opinion that "the consumer can receive from installment buying benefits similar to those gained by the producer from the modern banking system."

You many not, of course, fall into complete agreement with the Columbia University professor. It is, however, a reasonable certainty that, if you read these pages, you will never again condemn every installment sale as being thoroughly wrong, nor will you again make the mistake of believing that "as a result of installment credits the peak of the business cycle is driven higher, with the consequence that when the slump comes there will be a correspondingly lower trough." All the evidence is contrary to such a fear, common though it is thus to view installment credits.

"Principles of Marketing"

"Principles of Marketing." By Harold H. Maynard, Walter C. Weidner and Theodore N. Beckman. 682 pp. \$4.50. The Ronald Press Co., New York.

THIS book is the joint work of three men each of whom is a professor of marketing at Ohio State University. The volume itself is primarily a text book for university students as they study marketing and distribution problems, but the principles are abundantly illustrated by picturing the methods used to market specific commodities, there being in these pages much hitherto unused material.

Being a college text book, consideration is given to such questions as "consumer buying motives," "demand creation," "marketing inefficiency," "ethical aspects of marketing," etc., although even these are but a minor portion of the material. Those interested in warehousing, for instance, will be pleased to know that this is one of the first—if not the very first—marketing text book that gives adequate space to storing.

The publication of such a book as H. A. Haring's "Warehousing" has provided the writers of text books with material that they can use to set forth the proper places of the warehouse in marketing. The present volume, for instance, devotes nineteen pages to warehousing, with a complete "story" of how the warehouse evens out the irregularities of production, how the warehouse encourages financing of goods, how the warehouse levels prices, how cold storage warehouses con-

serve the world's food supply, etc.—as no previous marketing text book has been able to do. The inclusion of such subjects in a text book indicates that university graduates will enter business knowing the function of the warehouse and its place in marketing.

Marketing is being taught in our universities far more commonly than is known. Many schools of commerce are now departments of the important universities, their curricula being devoted exclusively to courses in transportation, banking and credits, marketing and merchandising. Bureaus of business research, too, are giving much of their time to studies of marketing costs and allied marketing problems. All of this is evidence of a growing interest in marketing, which subject is now sharing the diligent study that has for generations been given to manufacturing problems. Invention and labor-saving devices have had the factory in hand; it appears as though keen study and engineering methods will shortly increase the efficiency of marketing. University students are being taught the principles of this "science" which is as yet decidedly hazy and sketchy, but which is vital to our prosperity.

Many methods exist for measuring the cost of "all the activities necessary to effect transfers in the ownership of goods and to provide for their distribution." The "activities" thus described define what marketing is. It "embraces the entire group of services involved in the distribution of merchandise from producer to consumer, excluding only operations involving change of form." Whatever the method of measuring the cost of the marketing process, the result shows that 50 per cent—often 70 or 80 per cent—of the final cost is the result of the effort to sell the article after it is produced. This cost is too huge to go unchallenged. Hence our manifold attempts to reduce the cost of marketing, to "cut costs," to do anything that will do for distribution what machinery has done for production.

Thousands of engineers—chemical, civil, mechanical, electrical, ceramic and mining—have contributed to make America the premier producing country of the world. Manufacturing and agriculture and mining have increased output and reduced unit costs; but very little consideration, until within fifteen years, has gone to distribution. The very word "marketing" was scarcely known twenty years ago. This country evolved the chain store, the mail-order house, the department store, cooperative marketing; we have developed advertising as no other nation on earth has done; we have the finest and the lowest-cost transportation system in the world. These are all steps in the marketing process. They are all in the nature of economies. It remains, however, for someone to find further ways to cut costs in distribution. That nation which first perfects the principles of marketing will control the marketing of the world.

"Principles of Marketing" is a text book. Though written primarily for university students it should have a place in every business library. It is a book to be recommended to all who sell or distribute any sort of product or any sort of "service" because it will add immensely to your vision of your business in relation to others, and, if properly studied, it should suggest methods for conducting your business at less cost.

Warehouse Bonding Under Missouri Law Is Now Being Enforced in St. Louis

ONE warrant has been issued and twenty firms are under investigation in a campaign to require warehouse and moving operators in St. Louis to comply with the State bonding laws.

The warrant was obtained against the proprietor of a moving and storage company. He was charged by Prosecuting Attorney Schweitzer with operating a warehouse without a license and with failure to register the name of his concern with the Secretary of State.

Under the State law a license is issued only after the operator has posted a bond with the Circuit Court of the district in which the firm is located.

The warrant was the first issued by the St. Louis prosecuting attorney under a State Supreme Court ruling upholding the use of subterfuges in obtaining evidence against alleged law violators. The case was developed by the local Better Business Bureau, which stored a box with the company, paying two months' storage charges in advance.

The violation charged is a misdemeanor punishable by a fine of from \$100 to \$500 a day for each day a warehouse is operated without a license and by an additional maximum penalty of a fine of \$500 or a jail sentence of one year, or

both, for failure to register with the Secretary of State.

The case against the first defendant is not being pressed, as he has told the authorities that he is attempting to sell his business and retire. On the strength of the warrant, however, three other warehouse firms have promised to comply with the bonding requirements.

A representative of the Better Business Bureau is devoting virtually his entire time to investigating illegal practices in the moving and storage business—an inquiry which has the sanction of the St. Louis Furniture Warehousemen's Association.

H. A. Haring's

New Business for Warehouses

XXIX

Why Stove Manufacturers Are Potential Customers

STOVES, as we are about to speak of them, are "the good, old iron fellows," as one jobber characterized them recently—"the kind that burn wood or coal, that weigh two hundred and can't be delivered by a boy on a bicycle."

It is not, of course, our intention to belittle "Florence" and "Perfection" and all their companions which are fuelled through a pipe, whether kerosene or gasoline or illuminating gas. Their marketing methods differ from those of wood and coal burning stoves; they weigh less, are differently packed; they compete only to a limited extent with "iron" stoves, because they fit a slightly different need.

One reason, in my judgment, why "stoves" are so seldom found in warehouse stores is that they are a sort of coun-

try item. The market, speaking not too definitely, is not a big-city market but more a rural and suburban one. The big warehouses (which do the aggressive solicitation for business and which constitute the "chains") are, however, in the same general way, city institutions rather than small-town concerns. It has therefore resulted that the warehouses able to develop new business pass by stoves as offering them no opportunity. In the same way those warehouses that could help stove makers in their marketing are scarcely warranted in the cost of developing this business.

Stove manufacturers, at the same time, have failed to grasp the market opportunity. They have always done business in a certain way; no one has come along to show that a better method exists.

Freights Important

STOVES of the character we are considering are heavy. Freight rates for less-than-carload shipment show a wide spread from the carload rate. Under the freight classifications quite a variety of rates and "classes" are shown, depending chiefly on the extent to which the stove is "knocked down" and the manner of crating, but everywhere the carload rate makes a most attractive saving. Stoves, accordingly, are a natural commodity for carload lots, and, as such, a promising item for warehouse storing. The spread in the freight rate gives an immediate margin of profit. In this case it is wide enough to justify warehouse handling and storing, with ample left over for carrying charges for as long as six months.

Looking at the stove-making industry as a whole, and remembering that exceptions exist, the accepted method of marketing is through wholesalers of hardware. Stoves, in the jobbing trades, usually classify with "heavy hardware," not as "shelf goods." They thus become an item for important wholesale houses and are found less often with small concerns. Stoves are not a quick-turn line, which fact further keeps them out of the hands of secondary jobbers, who specialize in fast-moving goods.

The sort of wholesaler who handles stoves is prepared to do his own warehousing. A carload, even five carloads, does not cramp his space. Inasmuch as stoves are bulky, the manufacturers dislike to keep on hand large stocks. To save their own foundry space, the custom has grown up of running the stove plant

fairly evenly throughout the year and of shipping out to wholesalers immediately. The usual "long dating" and "forward billing" run parallel with this procedure.

Out of all this welter has come the result that stove makers are closely tied to important wholesalers. The wholesalers do the warehousing; they absorb foundry overstocks. The open accounts run for so many months that the stove maker's solvency is closely interwoven with the good-will of the jobber. The maker, therefore, seldom dares to enter a new connection for distribution. So intimate has become the relations of maker and jobber that however keenly he may wish it the manufacturer is unable to break the long-established chain to his retail market.

Freights, too, enter this situation. The carload rate represents such a saving that the trade will not stand less-than-carload shipments. No new outlet can be set up until it can handle carload lots, and this rather large unit stands in the way of a newcomer "taking on the line," with full knowledge that the important wholesaler in his market has several carloads on hand at a price that makes price slashing easy. The high freights throw yet another rope around the industry. They are so large a share of prices that stoves cannot profitably be shipped a great distance. A stove maker's market is somewhat limited by the zone wherein his freights give him an advantage over the foundry in another zone. Hard and fast trade connections, as a final result, characterize this industry.

Breaking Away

THE mail-order houses were first to break through the difficulty. With their catalogs far flung over the country they felt obliged to offer uniform goods. Stoves were one of the items that gave trouble. If the L.C.L. freight was too great the mail-order customer could buy a stove cheaper from his local dealer. These mail-order concerns have found that stoves are one of the items they must carry in warehouse stock at many points. It does not suffice to stock at six or eight cities, as with lighter merchandise. One mail-order house is known to maintain four stocks of stoves in New York State, five in Ohio; another has seven stocks within Pennsylvania.

"We have found with stoves," declares one mail-order officer to me, "that quick delivery counts a lot. We have few items where getting the thing quick is so important."

Possibly his explanation will tell the whole story of marketing for stoves. He says:

"There's simply no business in summer. The sitting room heater is set away in the cellar or the back of the garage in spring, but when they come to get it out the first cold snap in October they discover that the legs are broken or the firebox fallen in. The summer's rust looks worse than it really is.

"That's the time for a new one. If they once recondition the old one and set it up, they'll manage to make it do for the winter. But any wife knows how messy the old stove is, and if she can get a new one, with new pipes, she's for it. So if we can deliver in a day or two

we're doing as much as the local tin-smith will promise."

Next to this autumn business stands "moving day" in the sale of cook stoves and kitchen ranges. Sudden illness brings acute need for living room stoves.

Following the lead of the mail-order houses, a few stove makers have broken away from their jobber connections. They try to get around jobbing methods, much as makers of branded merchandise everywhere are doing, by direct dealer methods. No dealer can, of course, take on a carload of stoves. Yet he must benefit by the carload freight rate if he is to compete in the local market.

Hence the manufacturer stocks his wares in a warehouse in order to buttress his dealers in the usual way.

Where this is done, however, the spot stocks must follow the marketing of stoves. They are little required in cities. Apartment houses and flats have no space for anything larger than a compact gas or kerosene stove. Even detached homes, in cities, economize in floor space of the kitchen; and as for house-heating, a furnace is the ordinary device. Stoves, of all types—remembering that we speak of iron stoves—are essentially a thing of rural distribution. A warehouse stock in New York City does not give the quickness of delivery wanted, nor one in Albany; but a spot stock in one of the Hudson River towns (Poughkeepsie, Newburgh, Kingston) will give control of all the back country for fifty miles.

One maker of a wood-burning stove for sitting room use has told of what spot stocks have done for his business.

Wood-burning occurs almost altogether in country districts. Coal there is expensive, while wood costs little. Wood is, as a matter of fact, usually available without money outlay—the men

folks draw and cut it at odd hours. The market for wood-burning stoves is, therefore, neither a city nor a town market but distinctly a rural one. This stove maker, moreover, has one model with the smoke pipe so low on the rear of the stove that the pipe will fit into the flue of an ordinary fireplace; this model finds its chief demand, accordingly, where houses have open fireplaces but where in extreme weather more heat—with less loss up the chimney—is required than is possible with the open fire, even with its blazing and cheery logs.

Quick Delivery Tells!

In one section of New York this manufacturer has done a fair business. One satisfied customer has brought another. Two or three local dealers represent the stove, but the demand, while good, has never warranted a carload shipment. One dealer, however, kept ordering more and more stoves—once or twice even getting to as many as ten in a shipment. One day suddenly came an order for a carload. It was shipped, but quickly came a telegram of protest, upon receipt of which the manufacturer discovered that his own office had mixed two orders and had shipped a carload where one stove was wanted. It proved impossible to divert the shipment, and, in desperation, it was offered to a jobbing house, which declined to accept. Thereupon, with no alternative, the carload was stocked in a "warehouse" in a neighboring town—the "warehouse" being little better than a barn, but being absolutely the only thing to be had.

Up to that time the price had been \$22.50 for a stove, with freight to be paid by purchaser. Freight was \$3.25 per stove, making a total of \$25.75. At this price the stove competed favorably with others in the vicinity.

"That carload in a tiny town," says the stove maker, "worried me. But by figuring the carload freight and the warehouse handling, we made a better price, and we notified the couple of dealers we had of this price. I urged them to make a special effort to save me, and they taught me a lesson. They unloaded forty of those stoves the first week and more than that the second.

"Then I caught on to the trick of selling those stoves. It was not a question of price half as much as of delivery. Under the old arrangement it was nearly two weeks from the day the woman placed her order until her stove was set up. By the new scheme she got her stove that same day. When the carload was gone, two of those dealers wrote me wanting another carload where they could lay hands on them. And, with that lesson, our foundry has stocks of that model in more than thirty towns that aren't in the Warehouse Directory. I'd hate to let you see the sort of places they are stored—but they're all right for stoves. We're shipping more than a hundred carload lots a season against maybe as many as ten in the old days, and the stoves are going to a market that we never knew.

"It's all a question of putting the dealer where he can deliver the stove before the weather changes or before the woman spends the cash for something else."

"Stoves," therefore—"the good, old iron fellows"—offer an opportunity for new business to warehouses, more particularly warehouses in smaller cities. For such the method of developing the business is the simple one of the mails, reinforcing "blind solicitation" by clues and hints to be gleaned from local dealers who handle "stoves."

Unique Reconstruction of a Jackson Company Depository in Chicago

(Concluded from page 21)

effects on this account all the ceilings of the office and store have been furnished with Sabanite acoustical plaster.

The elevator has been located as nearly the center of the building as is practical. The roof has been double-insulated with layers of celotex so as to eliminate condensation. Interior lavatory rooms in the store are provided with mechanical ventilation. The stair shaft is about half way between front and rear of building. On the ground floor the stairway is connected with the street by a fireproof tunnel and connected over the counter to the office through an opening which is closed with an automatic rolling steel shutter. The signs are controlled by time clocks and contain devices so that they can be automatically shut off and turned on at certain times. The front of the building is arranged for floodlight illumination.

Architecturally the building is designed in Venetian-Gothic, deriving its inspiration from the Doges Palace of Venice. This was selected as being pec-

uliarly appropriate to the requirements of warehouse design due to the fact that the practical requirements of Venetian design are open arcades on the ground floor and nearly blank walls on the upper floors, most of the rooms being lighted from interior courts.

The ground floor arches, while presenting large openings, at the same time convey the impression of stability. The diaper pattern of the brick work in ivory and golden yellow, used for the upper stories, has a tendency to lighten the heavy effect of the wall above the openings below and at the same time

gives an exterior decoration to the building.

Recessed transoms on the first floor reveal the arches, and projecting plate glass windows below the transoms satisfy the demand for display window space.

Entering the office, one finds a drinking fountain on the opposite wall; this is set off with a decorative background of beautiful Batchelder hand-made tile brought from California, producing a rich and harmoniously blended color effect. The lofty beamed ceiling in rough Sabanite plaster gives the feeling of space.

The mezzanine floor above the office provides additional office space and lavatories for men and women. The office room is lighted indirectly so that there is no glare and yet so that every part of the room is illuminated with soft daylight effect. The floor of the office is paved with light and dark green terrazzo blocks.

The architects are Emory Stanford Hall, Bisbee & Rhenisch, Chicago.

There's not another book like the annual Warehouse Directory. It lists all the reliable warehouse firms in the United States and Canada. Consult it—and benefit.

An intelligent guide to economic distribution: the annual Warehouse Directory. He who consults it, profits.

Keeping Up With the Developments in the Motor Truck Field

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor hauling. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

Will the "Huddle" System Make the Traffic Goal? State Mileage Tax Upheld. No Truck Regulation Immediately in Prospect

THAT word *huddle* seems to describe quite picturesquely the system that has come into being as a means to cope with our increasing city-traffic problem. According to Webster, "to place or perform in haste or disorder," we seem to have employed the *huddle* system in our frantic efforts to relieve traffic congestion.

Miller McClintock, director of the Albert Russell Erskine Bureau of Street Traffic Research, says that 50 per cent of the automatic "stop-and-go" traffic signal installations in this country serve only to impede traffic without any compensating advantage from the safety standpoint. I am inclined to believe, and I think that most operators of truck fleets will agree, that his estimate is most conservative.

But this is only one way in which measures of serious importance are being adopted in some localities and bound to be adopted soon in other localities. In the terms by which we know them—as traffic light systems, one-way street regulations, traffic lane designations, parking prohibition and limits, compulsory insurance plans, zone or

specific street restrictions according to types of vehicles, speed limits and the rest—many frantic efforts are being made to arrive at both temporary and permanent answers to the traffic problem.

At this stage of the game we find a veritable "Heaven" for the chronic kicker, for the self-appointed critic and for those who delight in writing steaming hot and public-spirited letters of protest "to the editor."

There is, in individual instances, much to be criticized, but little that can be constructively said by the inexperienced layman to help matters along. It is, however, a time for clear thinking and concerted action on the part of those who are most seriously affected and to whom untold harm is done by each blunder that is made. City traffic and its problems have a most important effect upon the business of every warehouse owner or professional hauler who uses trucks for delivery, and it thus behooves every such executive to know what is going on, how he himself can best cope with the traffic problem, and how he can add his bit to the general fund of constructive effort.

Tendencies—Good and Bad

LET me mention, for example, two tendencies which are typical of a number of ways in which municipal attitude is being expressed. One of these, my observation tells me, is typical of those that are good and should be encouraged. The other, I believe, is rather poor and should be discouraged.

First, the good tendency—the tendency to raise speed limits in sections and places where pedestrian-congestion is not serious. There seems to be a healthy and growing belief on the part of city authorities that the speedy driver is not so nearly a menace to public safety as the slow-poke who is either not so sure of himself as a driver or who ambles along, in everybody's way, engaged in conversation with other occupants of the car or too busy viewing the scenery to

watch the exact effect of his presence in a traffic tangle.

This tendency is expressed in many ways. First, in pending laws to raise speed limits and enforce the penalties of reckless driving and traffic violation more strictly. Second, in providing careful and very strict examination of drivers before driving licenses are issued. Third, in frequent drives to check faulty brakes and lights on vehicles. Fourth, in the instructions that are being passed on to traffic officers that the most important principle of directing traffic is to "keep them moving and get them out of the way."

In a number of instances, in the case of certain highways, bridges and tunnels, speed limits have been entirely removed. In the new Holland Tunnel, connecting New York City and Jersey City, drivers are confronted at each entrance

with a huge sign which says that vehicles must maintain a speed of 35 miles an hour. The tendency seems to be to "speed things up" and to "keep things moving" however we can.

As I have said, from all sides, this tendency seems to be a good one if kept within proper bounds and if it is so regulated as to prevent abuse. It seems that one good step will have been taken toward better traffic conditions and better vehicle regulation if municipalities will spend less effort in placing motorcycle police to hide in waiting for the 35-mile-an-hour "speeder" and do more to penalize or remove the inexperienced or thoughtless driver. The experienced driver, traveling at 40 or even 50 miles an hour in open country, invariably has his eye on the road, is prepared and able to cope with any emergency, and is thus far less a menace than his absent-minded,

Trucks Are Not Included in Regulatory Bill Introduced in Congress

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

THE bill to regulate interstate traffic by common carrier motor vehicles will not include interstate freight traffic, it was learned here on March 12.

Representative James S. Parker of Salem, N. Y., chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, said that his bill for bus control would be introduced within a few days and that hearings on it would begin before the committee about April 1.

When the Interstate Commerce Commission held hearings on the regulation of interstate traffic by common carrier buses and trucks, sentiment seemed to be over-

whelmingly favorable to bus regulation, but equally unfavorable to truck regulation.

Truck traffic by common carriers in interstate commerce had not yet developed to the point where it was feasible to establish Federal control, Representative Parker said, whereas it was important to the public as well as to the bus companies to have passenger motor lines in interstate commerce under some form of Federal regulation.

The American Automobile Association favors action for Federal control of buses, but not for trucks. Its position is based largely on expediency, in that it feels an urgent need for bus regulation, and fears that the opposition to truck regulation might en-

danger the passage of a bill for bus regulation.

Officers of the bus division of the A. A. A. conferred early in March with Interstate Commerce Commission officials and with Representative Parker on the proposed bus bill under consideration. An effort was being made to draft a bill which would as far as possible meet the approval of the bus operators, the electric railways, the steam railroads, the various State public utility and railroad commissions, and the public.

In general, it was expected that the measure would bring bus lines under the jurisdiction of the Interstate Commerce Commission, with some form of cooperation with State commissions.

—R. A. B.

insistent-upon-his-rights brother whom most of us know well.

Now for the second tendency, typical of those which I have said do not seem to be quite so healthy. I refer to the feeling that seems to have arisen among the "common councils," "boards" and executive bodies of municipalities that it is necessary for them to "keep up with the Joneses"—the other municipalities with their "modern" traffic light systems and complexities of traffic rules. Without the slightest attempt at humor, I pause to remark that there seems to be a competition among municipalities, or at least a local pride, in seeing which can erect the most green-and-red lights per capita of population.

Too many regulations are made, too many traffic lights are installed, and too many "new-fangled" traffic ideas are tried which are based on opinions rather than facts; the desire to be "up-to-date" rather than the actual need. This is why, as pointed out early in this article, fully 50 per cent of the "stop-and-go" signals in this country are said to impede traffic rather than to help it.

Problems of Traffic Movement

THERE is, of course, another reason for the traffic light signals—the greater economy to a municipality in having a large number of street intersections controlled and regulated by one officer than in stationing an officer at each intersection. Likewise, it is a very worth-while economy to do away with traffic officers entirely and regulate traffic by automatic cycles.

Traffic regulation in some form is, of course, absolutely necessary. But—and this, it may be interesting to know, is practically the consensus among those who are studying this with a view to the free movement of vehicles—if a municipality *must* economize, then automatic traffic lights we must have and these municipalities will be economizing at the expense of impeded traffic.

I am speaking here not of the very large cities in which automatic traffic lights serve a real purpose on through traffic by keeping this traffic well spread out on through streets, but of the smaller and medium-sized cities which seem to be installing these lights, whether they need them or not, because they seem to be "modern." The smaller cities, in patterning after the big cities, are using big city systems for traffic conditions on which they cannot operate efficiently.

It has been hinted in more than one quarter that the reason for the great impetus toward the traffic light idea and the reason for the growing surplus of unnecessary and unsatisfactory installations lie in certain high-pressure sales tactics of concerns which manufacture these lights, their salesmen becoming too readily "traffic engineers" and as such finding their advice and selling talk more quickly accepted. Notwithstanding the "recommendations" of many such "engineers" and putting facts before opinion, the point should be clear that if the thing we are after is traffic relief, not traffic economy, for a great many traffic purposes nothing can take the place of the old-fashioned "traffic cop."

In many cities, to be sure, where through traffic needs to be organized and spread out to avoid congestion at important crossings, the automatically controlled system, properly timed as to intervals or cycles after adequate study by competent traffic experts, really fills a need. The trouble seems to be that there is too much aimless placing of lights where they should not be placed and too little recognition of the fact that traffic control is a subject for engineering study of facts regarding vehicular movement.

There is no better evidence that this is the only sound way to handle the problem than the many ill-advised traffic signal installations which are interfering with the efficient use of motor vehicles in all parts of the country.

As we have indicated in an earlier

paragraph, the subject of traffic control is still in its experimental stage. Let no one therefore "knock" or criticize unjustly. Let everyone, rather, add whatever bit of intelligence and cooperation he can to avoid such blunders as always come with any experiment and which are costly to operators of motor vehicle fleets. Let us hope that city engineers will keep before them the desire to facilitate traffic rather than the desire to economize.

After all, in most instances, the only reason for installing a traffic signal should be to reduce the delay experienced by the average vehicle in passing through an intersection. The traffic signal promotes safety only incidentally. There are many signals operated throughout the day when conditions warrant their use only for a few hours. Even where their use is justified for part or all of the day, the cycle of operation often is not correctly adjusted to the requirements of the intersection. As a result there is a period in almost every cycle when no traffic moves through the crossing in any direction. The unnecessarily long cycles which are responsible for this condition tend to promote accidents, as drivers are to be subjected to an unreasonable delay.

The most casual observation will reveal that the primary reason why automatic "stop-and-go" signals are a hindrance as often as they are a help is that a preliminary scientific study of the traffic it is desired to control has not been made. As a result the decision to install a traffic signal is based on opinion rather than on fact.

Ways to Cope With Traffic

IN the meantime it behooves the warehouse or professional trucking executive to do all he can to remove the handicaps of traffic congestion within his own delivery methods. There are certain ways open to him by which he can devise policies which will speed up deliveries in spite of congestion.

One method, for instance, is to under-

take a study of local and outlying traffic conditions with a view toward sending trucks over the least congested routes.

A plan used by a number of concerns is to test the time taken by a vehicle from one point to another by various routes and to post the quickest routes for the information of drivers.

In one city of 75,000 population an experiment of this kind was particularly fruitful of results. It was found that by cutting out certain intersections where delay was encountered through traffic lights, it was possible to avoid a total of seven lights, which meant a saving of from five to ten minutes in running time from one end of the city to the other. This does not mean that "the longest way 'round is the shortest way home." It is not necessary to skirt the city to obtain time economies such as this. The simple expedient of taking a right turn, a left turn and another right turn a block ahead of a light signal will serve many a good purpose.

A time study such as this does not involve any great difficulty. It is a case of *knowing your city* and the ins and outs of its traffic conditions. Drivers themselves are sometimes, but not always, keen to discover the quickest routes, but the subject is so important in its economy aspects that it deserves some central thought and specific recommendation.

A very worthwhile plan is to procure a detailed street map or maps of the delivery territory, to post these conspicuously in the garage, and to mark red crosses for congested spots to be avoided and blue lines for quickest routes to be followed.

Another problem that arises out of traffic congestion is that of delay in parking at the delivery point. This is indeed a growing menace and one for which very little can be done at this time. Drivers are more and more frequently complaining that in some sections passenger cars so quickly take up any vacated parking spaces that they cannot find space within blocks of a delivery address in which to pull in and unload. In some instances this becomes a very serious problem for the driver. With a big load for delivery in a congested section he is helpless and can do nothing but keep traveling around a block hoping that in one of such trips past the address he will find an empty space in which to park. With the increase of such a condition, the delay of such a procedure and the cost of its multiplied effect to the owner of a number of vehicles are immeasurable.

The time will come, of course, when municipal parking spaces near shopping centers will be provided for passenger cars and when parking of any kind will be prohibited on congested streets. Under such an arrangement it is conceivable that trucks will have to be permitted to stop for brief periods to make deliveries. This will answer the problem and is a most pleasant day-dream. But as a reality it is, at best, a thing for a future generation.

To meet the present emergency, a number of experiments are being made.

Perhaps the most important of these is the motorcycle with side cars used as a delivery unit whenever possible in handling delivery sections of this kind. Units of this equipment are being made to handle a considerable size and weight of load and there is much reason to believe that, with the much smaller space required for parking, the much greater ease with which the vehicle can be maneuvered into a small space, and with the greater flexibility in traffic, this method might well be considered by any concern that is confronted with the problem.

Another attempt to answer this same problem is the push-cart, used in conjunction with trucks on a sort of "mother-ship" principle. In its most simple form, the plan amounts to this:

A truck, assigned to make a number of small deliveries (or even one delivery which can be split up into small parts for unloading), leaves the loading platform with two or three ordinary push-carts strapped to the top of the vehicle to be used in case of just such an emergency as we have mentioned. The driver stops as near as he can to his point of delivery or to a central point near enough to all delivery addresses, and the goods are placed on the push-carts and wheeled to the addresses. Likewise, under a "mother-ship" principle, the scheme is to send a truck or horse-drawn unit with large carrying capacity to a central point just off a congested street and to leave it parked here as a "temporary warehouse" while the load is transferred to and delivered by push-carts or motorcycles.

A horse-drawn unit for the big load is frequently suggested because the idle time involved in loading and waiting while deliveries are made is not in this case so expensive.

Likewise an older truck which may not be in a condition good enough for regular hauling may be assigned to such a job.

Where this problem is particularly important and where there are many such deliveries to be made, it is possible that the condition will develop a new use for the tractor-trailer combination. Trailers taken to such strategic points by tractors, left there and later picked up again seems, in theory at least, to be a possibility for the future.

Stopping Effects on Cost

FINALLY, warehouse executives are finding that they have one other consideration that is lined up with this problem of traffic congestion.

How can they prevent this congestion and its effects from eating too deeply into delivery costs?

They are doing it in the ways already suggested, of course, in cutting down however they can the greater and greater delays they are experiencing in making deliveries.

But beyond this they are looking into the problem more deeply to find the cost effects in the case of different types of vehicles.

In many cases on such delivery work where delays are becoming more and

more frequent the gasoline truck is giving way somewhat to the electric truck. The gasoline truck, although it undoubtedly accelerates more quickly, gets in and out of traffic with greater facility and is all in all a faster unit, is, at the same time, a more expensive unit on such work than the electric truck. This, at least, is the finding of a number of tests which have been made.

The running costs of the gasoline vehicle, the wear and tear on parts, continue throughout the various intervals of delay; whereas with the electric truck these costs exist only when the vehicle is in motion. Moreover, the continuous stopping and starting and the necessity for frequently changing gears are a strain on the mechanism of the gasoline truck, not true with the electric truck; and this, of course, in respect to any argument for lower costs, is another point in the electric's advantage on such delivery work.

There is much opportunity to counteract the effect of traffic congestion by carefully looking into the types of vehicles employed to do the work that is affected by it. Smaller trucks, bigger trucks, trucks of shorter wheelbase, electric trucks, tractor-trailers, motorcycle side cars—and even push-carts—all have important points for consideration. It is a new and different set of conditions that must be looked upon from a somewhat different light than those which originally—and even now ordinarily—pertain to truck economy.

State Mileage Tax Upheld

THE Supreme Court of the United States in a decision handed down on Feb. 20 affirmed the right of the State of Connecticut to impose a tax of 1 cent a mile for each mile traversed on motor vehicles used in interstate transport, the tax being part of the State's highway maintenance fund.

The law, said the opinion, written by Associate Justice Stone, had not been shown to be either unconstitutional or discriminatory.

This case was brought originally in the Connecticut Federal District Court by the Interstate Buses Corporation, which operates across the State line into Rhode Island. It was a suit to restrain the State authorities from levying the mileage tax on the ground that the tax was an unconstitutional burden on interstate commerce. The District Court dismissed the bill and appeal was taken to the United States Supreme Court.

Justice Stone said in part:

"To show that the mileage tax is discriminatory, appellant first points out the obvious differences between it and the gross receipts tax and, secondly, relies on an uncontradicted allegation in the bill of complaint that, apart from the mileage tax, it already contributes to the maintenance of the highways of the State in the same manner and to the same extent as others in the payment of the personal property tax, the license tax on buses, and the shifted gasoline tax.



Padded moving van, specially designed by the International Harvester Co., Chicago, and recently put into operation by the Terminal Warehouse Co. of Little Rock, Ark. Note how the Terminal uses the van's sides for advertising.

"The two statutes are complementary in the sense that while both levy a tax on those engaged in carrying passengers for hire over State highways in motor vehicles, to be expended for highway maintenance, one affects only interstate and the other only intrastate commerce. Appellant plainly does not establish discrimination by showing merely that the two statutes are different in form or adopt a different measure or method of assessment, or that it is subject to three kinds of taxes while intrastate carriers are subject only to two or to one.

"We cannot say from a mere inspection of the statutes that the mileage tax is a substantially greater burden on appellant's interstate business than is its correlative, the gross receipts tax, on comparable intrastate businesses. To gain the relief for which it prays, appellant is under the necessity of showing that in actual practice the tax of which it complains fails with disproportionate economic weight on it. *General Tank Car Corp. v. Day*, 270 U. S. 367; *Hendrick v. Maryland*, *supra*; *Interstate Buses Corp. v. Hoyloke Street Ry.*, 273 U. S. 45, 51. The record does not show that it made any attempt to do so.

"That appellant is already contributing to highway maintenance is not in itself significant, for the State does not

exceed its constitutional power by imposing more than one form of tax as a charge for the use of its highways in interstate commerce. It is for appellant to show that the aggregate charge bears no reasonable relation to the privilege granted."

Digest of Lighting Laws

A DIGEST of motor vehicle lighting laws and regulations has been compiled by the National Lamp Works of the General Electric Co., similar to one published two years ago. Comparison of the two tabulations provides a picture of legislative tendencies during the period.

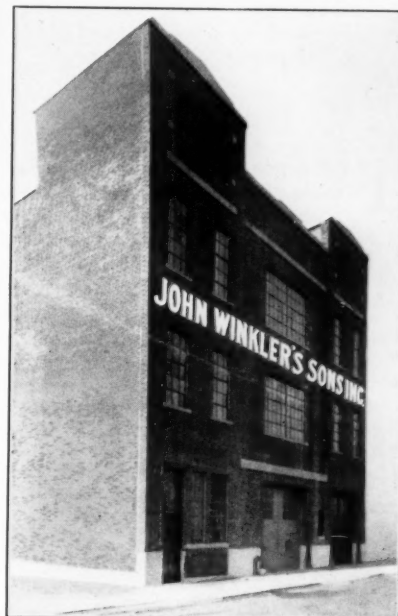
Nearly all States require that lamps be lighted from a half hour to one hour after sunset; two years ago only five States at all times when objects were not visible at some definite distance from the vehicle, usually 200 feet.

White is usually the only light permitted at the front of the vehicle, although yellow or amber are sometimes legal. Since 1925 eight States have forbidden the use of red or green front lights and five more have forbidden the use of red.

There is an ever-increasing number of

States which employ the visibility of an object at a specified distance ahead as the criterion for legal lights. Five States have added this requirement to their statutes. Five States, also, have added the requirements that high intensity beams must not rise above the ground more than a certain distance at a specified distance ahead.

Laws of eighteen States specify that headlighting requirements shall be met by vehicles when loaded as compared



Here is one of warehousing's most modern garages. Recently completed by John Winkler's Sons, Inc., Far Rockaway, N. Y., this fireproof three-story and basement structure is used to take care of the company's motor equipment and for dead storage of automobiles. There is a repairshop with equipment for washing cars, and a van-painting shop. The garage has a six-ton van-lifting elevator.

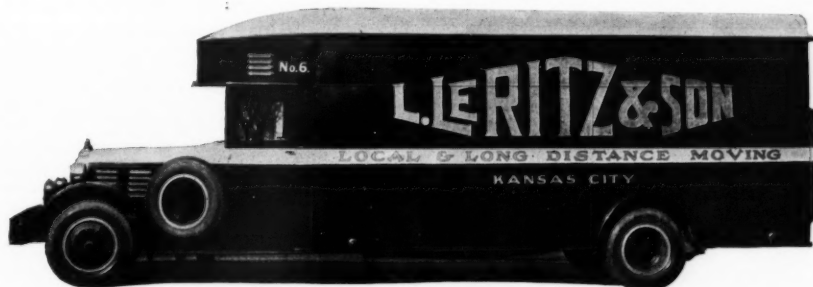
with only seven or eight States with this proviso two years ago.

Three States which, two years ago, permitted yellow tail-lights, have eliminated this option and have made red the only legal color. Only about six States now permit the use of any color but red for this purpose. The tendency is to require no particular color for stop-lights, five States having repealed legislation specifying colors.

890-Mile Moving Job

The Cassell Transfer & Storage Co., Wichita, Kan., recently removed by van a load of household goods from Richmond, Ind., to Wichita, a distance of 890 miles. This is said to be a record trip for a Wichita truck.

The one existing reference volume of its kind—the annual Warehouse Directory. Use it when making shipments.



This moving van job, recently on exhibit at the Kansas City, Mo., motor show, was specially built for L. Leritz & Son, household goods warehousemen in Kansas City. The entire job is a product of Gramm Motors, Inc.; the body as well as the chassis was designed and built in the Gramm shops at Delphos, Ohio. The chassis is the Gramm Model R.B. 210-inch wheelbase bus chassis.

What Is the Proper Rate Charge on Excess Values?

By JULIAN M. GIBSON*

THE problem of the rates to be charged on excess value of household goods in storage is one to which much time has been given at our industry's conventions, and about the only debatable issue that has appeared is whether one-fourth of one per cent a month or one-half of one per cent a month is the correct rate.

It is quite difficult for me to advocate either the one or the other of these rates, inasmuch as I am personally opposed to the principle of a warehouseman assuming the obligation of an insurer.

After many varying bitter experiences, warehousemen have endeavored to limit their liability by inserting a "declaration of value" clause in their storage contracts and warehouse receipts, whereby they obligate themselves to \$25 or \$50 limit for their liability in the event of loss or damage to any one piece or package and the contents

thereof, and then only when negligence has been proved.

The law gives the right to the depositor to declare any value he chooses, and the law also gives the right to the warehouseman to contract with the depositor for any agreed monthly charge for the storage, based on the declared value.

It has become the universal custom among all well informed warehousemen to do, in this respect, identically as the railroads and express companies do when they accept shipments of freight. They demand that the shipper declare the value of the freight, and the rates for transportation are made according to the value declared. If a low value is declared, the shipper enjoys a low rate for transportation; and if a high value is declared, he must pay a high rate for transportation.

A warehouseman is in a slightly different position.

IF a depositor declares a low valuation and gets the ordinary low storage rate, and signs the ordinary storage contract and accepts the ordinary warehouse receipt, the warehouseman is charged to exercise only "ordinary" care to protect the stored property against loss by fire, theft, injury or destruction; and in the event that the warehouseman finds that he cannot deliver the goods to the depositor because of loss or injury not caused by his fault or negligence, he may relieve himself of legal responsibility for such loss or injury by proving that he used ordinary care as a bailee.

But in the event that the warehouseman fails to prove that he used ordinary care and diligence and in the event that the Court holds him liable for loss or injury, his liability is limited to the ordinary declared value of \$25 or \$50 per piece or package, as the case may be.

"In all ordinary cases of bailment," says the Supreme Court of North Carolina in the case of *Lacy v. Hartford Accident & Indemnity Co.*, 136 S. E. 559, "losses occurring without negligence on the part of the bailee, fall upon the bailor. The bailee's liability turns upon the presence or absence of negligence—but the responsibility usually imposed by the law upon a bailee may be enlarged or diminished by special agreement." (And when a warehouseman agrees to make a special charge for excess value, he is enlarging his responsibility by spe-

cial agreement.) "By express contract he may make himself an insurer."

The Court goes on to say:

"There is an established difference between duty created merely by law and one to which is added the obligation of an express undertaking.

"The law does not compel to impossibilities, but it is a settled rule that if performance of an express engagement becomes impossible by reason of anything occurring after the contract was made, though unforeseen by the contracting party, and not within his control, he will not be excused. . . . In such cases the express agreement determines the rights and liabilities arising from the bailment. The bailee may be relieved of all liability, or he may become an insurer. A bailee may thus become liable, irrespective of negligence or fraud, for a breach of the bailment contract."

In my opinion, a warehouseman is only a bailee so long as he accepts storage under the usual and ordinary terms of his storage contract and warehouse receipt and his ordinary rate. But the minute he makes a special charge for a special valuation he becomes an insurer and I believe he will not be excused from liability even if he can prove no negligence.

Some warehousemen claim to have a nice revenue from excess value rates. Perhaps so, but in the event of fire, tornado, flood, explosion, lightning, or perhaps theft of several exceptionally valuable articles, would the total revenue for excess value pay for such liability?

I advocate the idea of selling insurance to our warehouse patrons who desire us to assume responsibility beyond the ordinary obligations imposed upon us by law and our ordinary storage contract and warehouse receipt.

Insurance covering twenty-four-hour hazards may be sold at approximately one-half of one per cent for a whole year and without subrogation against the warehouseman in the event of negligence, and I do not think it wise under these circumstances for warehousemen to obligate themselves for excess liability for loss or destruction caused by unlooked-for and uncontrollable hazards of all kinds.

Continental Terminals Reports Deposits for Construction

Continental Terminals, Inc., operating terminal warehouse projects in Cleveland, Detroit and Albany, N. Y., reports for 1927 deposits of \$2,722,517 with the trustees for construction purposes, a large part of which is expected to revert to the various subsidiary companies due to savings effected by the management during construction.

The company shows cash, demand certificates of deposit and secured loans amounting to \$786,103, in addition to which are marketable securities valued at \$601,739 and accrued interest.

Since the end of 1927 all the current liabilities, amounting to \$10,560, have been liquidated.

*Vice-president and general manager, General Warehousing Co., St. Louis.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

American

FURTHER merchandise division committees have been announced by F. R. Long, St. Louis, the division's president, as follows:

Banks and warehouses, H. E. S. Wilson, Hoboken, N. J., chairman; A. T. Gibson, San Francisco; George Hamley, Minneapolis; G. M. McConnell, Chicago; John L. Nichols, Boston; D. L. Tilly, New York; Jay Weil, New Orleans; C. F. Basil Tippet, Toronto; G. B. Nicoll, Seattle.

Bonded warehouses, H. A. Holt, New York, chairman; A. B. Harington, New York; H. E. S. Wilson, Hoboken, N. J.; John L. Nichols, Boston; Samuel G. Spear, Boston; A. P. Jones, Norfolk; H. W. Verrall, Chicago; Jay Weil, New Orleans.

Ports and port terminals, Samuel G. Spear, Boston, chairman; R. W. Dietrich, New Orleans; W. H. Douglas, New Orleans; Philip Godley, Philadelphia; A. P. Jones, Norfolk; E. V. Sullivan, Philadelphia; R. A. P. Walker, New York; H. E. S. Wilson, Hoboken, N. J.; G. Stewart Wise, Baltimore.

New Members

Wilson V. Little, Chicago, the merchandise division's executive secretary, announces that the following companies have been elected to membership in the division:

Consolidated Trucking & Storage Co., Jamestown, N. Y. R. D. Olofson is president and L. V. Olofson is secretary.

Hunter Transfer & Storage Co., Texarkana, Ark.-Tex. John F. Hunter is proprietor.

McNally Bros., Inc., Brooklyn. Frank P. McNally is president and William A. McNally is secretary.

United States Testing Co., Inc., Hoboken, N. J. E. J. Stehli is president and Ramsay Peugnet is secretary.

Brooklyn

A RESOLUTION providing for an increase in household goods storage rates was presented at the March meeting of the Furniture Warehousemen's Association of Brooklyn and Long Island, held on the 5th. Action was deferred. The new rates if put into effect will be \$10 a month for goods in fireproof warehouses and \$7.50 in non-fireproof build-

ings. These are the rates which prevail in Manhattan as quoted by the members of the New York Furniture Warehousemen's Association.

In the absence of the president, E. T. Jenkins, the vice-president, Harry W. Wastie, was in the chair. Howard S. Tierney, of Cass, Tierney & Johansing, insurance specialists, outlined the various forms of coverage which warehousemen should adopt for protection in the various branches of their business. Robert McCloskey, manager of the National Furniture Warehousemen's Association's eastern inter-city removals bureau, explained the functions of the bureau.

—P. J. O'Connor.

Chicago

CHICAGO'S ordinance—which went into effect in January, prohibiting pleasure cars from parking in Chicago's business district, commonly known as the Loop—has proved a great asset to local warehouse and cartage men. The Cartage Exchange of Chicago, with which storage executives are identified, was instrumental in having the ordinance enacted. A special meeting was held and a letter was sent to Mayor William Hale Thompson enumerating the advantages. The Exchange aided also in supporting enforcement, through representation at City Council hearings on the effects of the ordinance.

Subsequent inquiry, according to A. L. Sanger, manager of the Exchange, has proved that traffic has been speeded up more than 33 1/3 per cent in the non-rush hours and 20 per cent in rush periods. Drivers of teams and trucks who pick up consignments at railroad depots and at stores are able to proceed about their business at a greatly increased speed. Mr. Sanger adds:

"Before the ordinance was in effect the drivers were in a predicament. Automobiles so clogged the streets and alleys that it was frequently impossible to reach the curb or door of the business house. Parking in a double line subjected drivers to a fine.

"Since passage of the ordinance operators of teams and trucks have been able to serve patrons far more efficiently. Freight can be delivered to the railroad warehouses promptly."

—Universal Trade Press Syndicate.

Connecticut

THE Department of Commerce action in compiling monthly statistics on goods in storage (see page 7) was discussed at the March meeting of the Connecticut Warehousemen's Association, held in New Haven on the 8th, and it transpired that more than half of the organization's membership were already supplying the necessary figures. It was indicated that the other members would do so.

William R. Palmer, New Haven, secretary, read a letter received from Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association, with reference to the National's plan for a long distance removals corporation, and it was unanimously voted to send the National a check for \$50 in payment of a license fee for Connecticut.

The possibility of Federal regulation of interstate motor truck transport was considered, A. P. Marsh, New Britain, secretary of the Motor Truck Association of Connecticut, reviewing the Washington hearing before the Interstate Commerce Commission. It was voted to invite A. J. Brosseau of the National Automobile Chamber of Commerce to address the members at a future meeting.

Howard Tierney, New York, of Cass, Tierney & Johansing, insurance specialists, read a paper covering household goods warehousing and handling insurance.

Illinois F. W. A.

THE plan to spread real estate leasing dates was the major subject of discussion at the February meeting of the Illinois Furniture Warehousemen's Association, held at the Palmer House on the 20th. (For story on this situation, see page 24.)

Lou David, acting as attorney for the Movers' Association of Chicago, has been made chairman of the speakers' committee of the Chicago Home Economics Council, the organization which is raising the campaign fund, and has been devoting a good share of his efforts on behalf of the movement. Personal contributions to the fund include \$1,000 by S. S. David and \$500 by A. H. Hollander. Mr. Hollander is president of the Illinois F. W. A.

At the February meeting Morrison C. Wood as chairman of the publicity committee of the National Furniture Warehousemen's Association presented a check of \$50 to the Illinois body as the prize for suggesting the National's adopted slogan "Let Storage Help You." The originator of the slogan is S. S. David, president of the David Fireproof Warehouses, Inc., Chicago. The members were urged to adopt the slogan without delay on their moving vans and letterheads and in advertising.

The Kansas City plan of estimating was discussed, following the reading of a letter from Henry Reimers, Chicago, the association's executive secretary. No definite action will be taken until this subject is given further consideration at future meetings.

—W. D. Leet.

Kansas

THE Kansas Warehouse & Transfermen's Association met at the Jayhawk Hotel in Topeka on Feb. 17 and 18 for its first annual convention following the organization meeting in Wichita last year. More than twenty-five members attended, and visiting warehousemen gave the gathering something of a national aspect.

Prominent among the speakers were Schuyler C. Blackburn, Kansas City, Mo., a past president of the National Furniture Warehousemen's Association; Wilson V. Little, Chicago, executive secretary of the merchandise division of the American Warehousemen's Association, and Harry C. Herschman, St. Joseph, Mo., general vice-president of the American. Governor Ben S. Paulen of Kansas addressed the delegates on the highway problem, a subject of special interest to the storage executives.

Questions of vital importance to the three branches of the industry were discussed and were the subjects of recommendations for definite action.

The Oklahoma license law was attacked. This statute requires business vehicles entering Oklahoma from adjoining States to carry Oklahoma as well as home State licenses.

A committee was appointed to cooperate with other Kansas agencies, including chambers of commerce and the Attorney General's office, to bring about the repeal of the Oklahoma law; or, thus failing, to have Kansas enact similar legislation to retaliate against vehicles from Oklahoma.

Plans were discussed for a Kansas inter-city removals bureau which would cooperate with warehousemen in other States.

It was voted to have created a committee on cost accounting to work out a uniform plan to be presented at the next convention.

U. O. Bryan, Wichita, president, called the meeting to order, and W. O. Rigby, Topeka's mayor, welcomed the delegates—a welcome which was emphasized by flags being displayed in the city's downtown section in honor of the visitors



Scene at the banquet held in connection with the 18th annual meeting of the Maryland Furniture Warehousemen's Association, Baltimore, on Feb. 18

The mayor alluded to the increase in the long-distance moving business, the trucks serving in reality as a second railroad system, he said.

The reports of the officers showed the association's condition to be satisfactory. As vice-president representing the household goods division, H. W. Corr, Iola, emphasized that overland transport was in its infancy and that warehousemen must cooperate with their fellows in other cities in order to give the public the maximum service. As vice-president representing the cold storage branch, C. M. Drennan, Arkansas City, reported 100 per cent attendance by the members of that division.

Mr. Bryan said the officers had set a goal of fifty member companies by the next annual convention, and saw no reason why it should not be reached.

Oklahoma's Tax

The Oklahoma license situation was brought up by J. E. Tate, Wichita representative of the Republic Motor Truck Co., who had been commissioned by the Wichita Chamber of Commerce to inquire into the constitutionality of the Oklahoma statute. The latter was explained by the speaker, who commented that about ten Oklahoma trucks entered Kansas to every one which entered Oklahoma from Kansas, and he urged retaliation by Kansas unless Oklahoma was willing to effect reciprocity.

Roland Boynton, Assistant Attorney General of Kansas, questioned the constitutionality of the Oklahoma law; and said that, in order to determine that, a test case would have to be brought in the Federal courts, in the name of an individual against Oklahoma's highway commission. He asked the association to give him a list of all Kansas transfer men operating trucks into Oklahoma so that he might judge to what extent the Oklahoma statute has affected the warehouse business in Kansas.

L. D. Ferguson, Hutchinson, was made

chairman of the committee appointed by Mr. Bryan to prepare recommendations dealing with the Oklahoma situation.

A telegram of greeting was sent to the Texas Warehouse & Transfermen's Association, meeting simultaneously in Houston, and a request was made for cooperation in handling the Oklahoma problem.

Mr. Herschman reviewed the French Lick, Ind., convention of the American association, and talked on the value of State association activities.

Mr. Blackburn discussed long-distance removals, saying in part:

"This is our most important problem. We don't know just what we want or what we are entitled to, but in a short time we will have a program before you. What we must do is to have trucks on the highways, and whether they are from Seattle or from Kansas City, they must all have the same name. A good many companies are ready to put trucks into that service, and to those trucks will be given preference in the business. The household goods men must organize or outside interests are going to take the long-distance hauling business away from us. It is rightfully ours, and we must keep it in the industry, even though we do not make money from it. Otherwise we are going to lose our handling and packing profits as well, and soon these other companies are going into the warehouse business also."

Mr. Little outlined the business promotion program now in progress by the American's merchandise division, involving the issuing of a membership division, followed by a national advertising campaign, as planned at the French Lick convention of the American in January. He alluded to the Department of Commerce activity in getting monthly statistics of goods in storage (see article beginning on page 7), and described the various activities of the American.

At the household goods divisional meeting, J. C. Cassell, Wichita, read a paper on "The Price Cutter and How to

Deal with Him," in which he said in part:

"Dealing with price competition where rates are not fixed by the Government is difficult in any event, but the preponderance of evidence suggests a plan of organization and cooperation. With the honest effort of organization members it is possible to maintain fair and uniform prices, eliminate price competition and establish service competition as the paramount issue."

Mr. Cassell declared that a uniform schedule of rates and prices to cover every branch of the household goods service would be welcome by a fair-minded public, and added that an organization must pay its obligations to the public by giving high-class service instead of "detestable, degrading and disastrous" price competition.

There followed a discussion of cost finding, and it was agreed that no company could afford to be ignorant of costs regardless of the size of the business.

"Long Distance Hauling and Rates" was handled by L. R. Bailey, Emporia, who stated that after a few more years of research on the subject of average loads the household goods warehouseman could know what was the best sized truck for him to operate. He spoke of the practice of shopping which the public had developed because of the lack of uniformity in prices. He added:

"What we need is a uniform rate, and then the companies will have to compete on service instead of price."

G. L. Sterling of Pittsburgh, discussing "Methods of Arriving at Warehouse Rates," suggested that an experiment he conducted in the State on the basis of long-distance hauls from various points, showing the exact cost and the profit, believing that this would give a starting point for establishing rates. Mr. Sterling spoke of the difficulties of the storage warehouseman in a small town in adopting a positive method of arriving at rates, and told of some experiments used by his company in handling union men and seeing that they actually earned the money they were getting in the short hours they worked. By checking the money taken in by each man against his salary, they were able to eliminate the men who were not making money for them. They adopted a similar check with their trucks, and thus eliminated the trucks which were too small or too large for their particular needs.

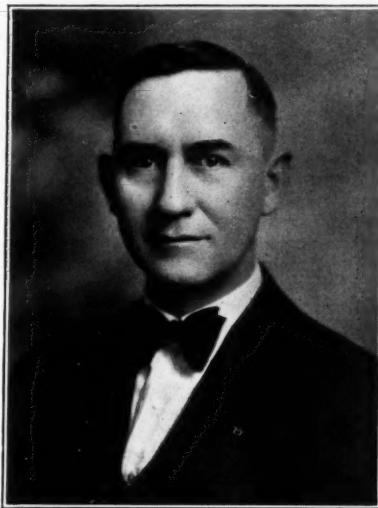
Governor Paulen explained the road situation in the State, and stressed the importance of developing a connected system of highways. Under the present program the highway commission did not have authority to force the completion of a road in any particular direction, he said, and he urged the warehousemen to use their influence to secure a proper State program for road building.

Touching on warehousing, Governor Paulen stated there was a great future in the business. He said that if the warehousemen were doing any portion

of their business at a loss, then it was only fair to the warehousemen and to the business interests of the State at large that they reorganize their business so they could make a reasonable profit. Speaking of the long-distance removals tendency, he stated his belief that that business was at present only a small portion of what it would amount to five or ten years from now. He said it was only sensible to raise the rates so that every portion of the business pay a reasonable profit, and added that the people of Kansas did not want to buy the service of the warehousemen at a loss to the warehouse.

The Saturday morning session was devoted largely to business, including

C. M. Drennan



Elected president of the Kansas Warehouse & Transfermen's Association, Mr. Drennan is manager of the Ark Warehouse Co., Arkansas City, Kansas

the election of officers and directors. The principal speaker was F. B. Thomas, of the Kansas Life Insurance Co., who discussed "Advertising," which he characterized as the keynote of business success today. Applying advertising to the warehouse, he said that much money was spent on useless advertising, and contended that the efficiency of advertising depended on an accurate diagnosis of the case. He pointed out that everybody did not use a warehouse, but that potential customers would use it if properly approached. He emphasized the necessity of believing in the service which warehousemen had to offer, and urged them to organize and exchange ideas, and to read their trade journals. "If you serve the public, the public will repay you to the extent of that service," he concluded.

The final afternoon program included consideration of inter-city removals, which was introduced by L. J. Canfield, Kansas City, Kansas, who urged that

the only way to make long-distance hauls profitable was to cooperate with fellow warehousemen in matching loads. He said:

"We should not confuse matched loads with the return load method of operation. Matched loads is the thing that will help the industry and also get the confidence of the public. It will discourage shopping and the patronage of unprincipled competition, putting the business in the hands of those to whom it belongs."

Mr. Canfield urged the members to get together on inter-city removals, believing that no individual could develop this business on a profitable, lasting scale without the help of all the warehousemen of good standing in the industry. He listed, as factors to be considered in determining rates for inter-city removals: cost of service to carrier; value of service to shipper; value of goods to be hauled; risk in handling; distance of haul; weight and bulk; expense of loading and unloading; volume and period of movements; method of packing and protection; rates for competitive operation; prospects of returning empty; special or extra service required.

This paper opened the discussion on long-distance moving, and it was the consensus of opinion that there should be a State bureau to handle inter-city removals within the State and to cooperate with neighboring States. It was brought out that if a bureau was established there would have to be a system of uniform prices, and that the rate should be sufficient to cover insurance. It was stated that a warehouseman who carried insurance would not want to turn a load over to a man who did not provide against damage. It was suggested that a bureau be located in the State, probably in the office of some warehouse, which would match loads on a basis of 60 per cent and 30 per cent, with 10 per cent to the bureau for handling. It was urged that the members should not think they always had to take the load, but should give up the load to the other man in some cases.

Following presentation of papers on various subjects, the newly-elected officers, headed by C. M. Drennan, Arkansas City, as president, formulated the following as the goals for 1928:

1. A monthly bulletin.
2. Quarterly meetings. One would be in February and one in August, each for the entire membership, with the ladies invited to one. In May and November several meetings would be held in various localities, with warehouse and transfermen invited within a radius of forty or fifty miles to discuss regionally local problems.
3. A campaign to get every "worth-while" prospect in the State to join the association.
4. A legislative program dealing with roads, gasoline tax, the Oklahoma license law, etc.
5. A study of advertising.
6. Promoting deeper interest in the activities of the American and National associations.
7. Inter-city removals.
8. Development of

rates and cost studies as bases for eliminating price cutters.

At the formal banquet which concluded the convention, A. J. Kill, president of Topeka's Rotary Club, was the principal speaker. Other speakers were Murray E. Cuykendall, Wichita, who was toastmaster, and the new president, Mr. Drennan.

—Merryl Schwind.

(Editor's Note: The list of officers and directors elected at the Topeka convention of the Kansas association was published in the March issue.)

Michigan W. A.

THE Michigan Warehousemen's Association, recently organized by public storage interests in Detroit, has opened an office in Room 817 of the Transportation Building and is holding meetings regularly each Monday at the Statler Hotel, Detroit. The officers and directors are:

President, Harold L. Brown, manager Detroit Railway & Harbor Terminals Co.

Vice-president, James D. Dunn, president Riverside Storage & Cartage Co., Inc. Mr. Dunn is president of the Michigan Furniture Warehousemen's Association and a director of the National Furniture Warehousemen's Association.

Treasurer and acting secretary, O. E. Speck, secretary Service Warehouse, Inc.

Directors, the foregoing and George T. Hunter, president Brush Terminal Warehouse; George Love, manager Detroit Refrigerating Co.; John T. Spencer, manager Great Lakes Terminal Warehouse Co.; H. S. Hall, treasurer Grand Trunk Railway Terminal & Cold Storage Co.

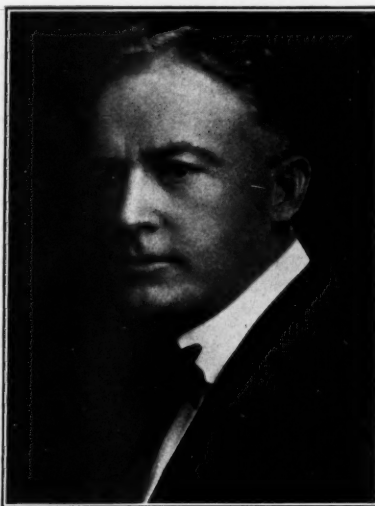
The membership includes the aforementioned companies and the Jefferson Terminal Warehouse, C. H. Carew, secretary; Michigan Terminal Warehouse Co., Willington F. Evans, president; General Cold Storage Co., H. O. Burnett; John F. Ivory Storage Co., Inc., John F. Ivory, president; Manufacturers' Warehouse Co., J. Stanley O'Brien and William D. Gagne, partners; Coe Terminal Warehouse, E. B. Busby; John Henry & Schram Storage & Trucking Co., Robert Schram, secretary; Edgar's Sugar House, R. J. Connelley; Federal Warehouse Co., C. E. Coffman secretary and T. G. Hewson manager.

All the firms mentioned are located in Detroit.

Missouri

THE annual meeting of the Missouri Warehousemen's Association will be held in St. Joseph on April 20 and 21. According to D. S. Adams, Kansas City, the president, this year's meeting will take the form of a regional gathering, with invitations extended to storage executives in Oklahoma, Kansas, Nebraska and Iowa. It is the belief of the officers of the Missouri body that there are many problems common to the industry in the five States.

J. H. Warren



Recently elected president of the Toronto Cartage & Warehousemen's Association, Mr. Warren is vice-president of M. Rawlinson, Ltd.

A program has been prepared that is of particular interest to all three branches—merchandise, household goods and cold storage. Representatives of both the National Furniture Warehousemen's Association and the American Warehousemen's Association will be present. An attendance of at least 100 executives is anticipated.

Harry C. Harschman, St. Joseph, who is general vice-president of the American, is chairman of the committee on arrangements. Headquarters will be at the Hotel Robidoux, where the business sessions will be held.

—Merryl Schwind.

New York F. W. A.

THE members of the New York Furniture Warehousemen's Association, now in a position to arbitrate disputes with customers by reason of the organization having become affiliated with the American Arbitration Association, voted at their March meeting, held at the Aldine Club on the 12th, to incorporate an arbitration clause in the standard moving order form.

This clause, prepared in conference with representatives of the arbitration body, was presented by the arbitration committee's chairman, Charles R. Saul, and was approved on his recommendation. It reads:

"Any dispute or claim arising out of or for the breach of this agreement, shall be settled by arbitration under the arbitration law of the State of New York and under the rules of the American Arbitration Association, provided, however, that upon any such arbitration the arbitrator may not vary, modify or disregard the foregoing provision re-

specting the declared or agreed valuation of the goods."

The clause will be inserted immediately following the declaration of value clause in the moving order form. On the warehouse receipt the arbitration clause may be rubber-stamped, Mr. Saul explained, but on the moving order form it would be desirable to have the new text printed.

When a customer signs a contract that contains the arbitration clause, any dispute arising out of that contract must be settled by arbitration. Neither the warehouseman nor the customer can resort to the Courts, which, under the State law, will not entertain such action. The American Arbitration Association supplies the arbitrators.

The New York F. W. A. recently paid the arbitration society \$1,000 as 1928 membership dues, and this will be returned to the warehouse organization's treasury by assessing the members in amounts equal to 25 per cent of their annual dues.

The peak load moving situation was discussed by the October leasing committee's chairman, Ernest H. Milligan, who outlined the developments in Chicago (see page 24). Opinion was expressed by various members that an aggressive campaign locally should bring about relief, and Mr. Milligan was authorized to inaugurate such a campaign in an effort to enlist the support of real estate boards, apartment house owners, electric light and gas companies, labor unions, and others, in having leasing dates spread over the year.

Complaint was made that a forwarding company, a member of the association, was contracting to do packing jobs along with forwarding. Walter W. Weekes offered a resolution that it be considered unethical for a freight forwarding member to accept contracts for crating, either by its own crating department or by sub-contracting to warehousemen, without first notifying the association's secretary of its intention so to do. It was agreed to table this resolution for action at the April meeting, with a special committee to investigate meanwhile.

It was voted to join with the New York State Warehousemen's Association at the latter's annual convention in June. The convention city is yet to be selected.

Thomas F. Murray, vice-president, was in the chair at the March meeting in the absence of the president, Barrett C. Gilbert.

—K. B. S.

New York Port

RECENT developments in the use of army bases for storage were discussed at the February meeting of the Warehousemen's Association of the Port of New York, held at the Whitehall Club on the 21st, and the following resolution was adopted:

"Whereas, the members of the Warehousemen's Association of the Port of New York, Inc., are unanimous in their

belief that public confidence and trust are essential alike to the warehouse industry and to the commerce and trade of the country, and

"Whereas, it has been stated that there have been introduced into the industry by newcomers certain practices which members of this association believe to be unethical and improper and tending to destroy public confidence in the warehouse industry, notable among such practices being the furnishing to a favored competitive storer of intimate information concerning goods carried on storage for others and the refunding to such favored competitive storer of a portion of the charges paid by other storers, now therefore be it

"Resolved, that the members of the Warehousemen's Association of the Port of New York, Inc., are unanimously and unqualifiedly opposed to such practices as being contrary to the best interests of all concerned."

Members' discussions indicated that some banks were found to be still loaning money on non-negotiable warehouse receipts; and that the Government was not removing abandoned goods from general order store except after undue delay. It was found that merchants were attempting to ascertain the charges accrued on goods in general order store and then deciding whether to pay the charges or attempt to bid in the goods at the sale. It was the consensus that so far as possible such information should be refused, being due only to the storer of the entered goods.

During roll call business was reported variable. In some cases receipts exceeded deliveries and in others the reverse. Labor was reported plentiful and of good quality, collections were reported fair to good, and the demand for piers was reported improved. Space occupancy, as reported by eight firms, averaged 58 per cent.

Pacific Coast F. W. A.

WITH an indorsement, in principle, of the Kansas City plan of estimating, and a recommendation that the National Furniture Warehousemen's Association enter on a national advertising campaign, the thirteenth annual convention of the Pacific Coast Furniture Warehousemen's Association came to a close in Santa Cruz, Cal., after a three-day session on Feb. 20-22. One hundred delegates and guests registered from Washington, Oregon, British Columbia and California.

The many informative papers read were followed by constructive discussion, with the following results:

1. That interest should be charged on advances and on overdue storage accounts at the rate of 1 per cent per month, and that the storage contract should contain a stipulation to that effect.

2. That the interest charge on advances should be made after thirty days, and on storage accounts after six months. accrued storage remained unpaid.

3. That rubber stamps showing the interest charges should be purchased in quantity by the secretary and distributed at cost to the members.

4. That a special committee be appointed to consider the advisability of entering into a cooperative advertising campaign, the committee to report back before the close of the convention. The committee appointed comprised H. B. Lyon, Milo W. Bekins, E. B. Gould, Frank A. Payne and Lawrence Campton.

5. It was voted to create a special committee in the central and southern divisions to investigate the advisability of

C. C. Lockett



New president of Pacific Coast Furniture Warehousemen's Association, Mr. Lockett is a partner in the Electric Transfer & Storage Co., Sacramento, Cal.

coming under the jurisdiction of the California State Railroad Commission, and to compile data in preparation of such a move, this committee to serve three years.

6. The association indorsed the idea of a group insurance organization and approved of Cass, Tierney & Johansing, insurance specialists, continuing endeavors to perfect such a plan.

7. The principle of the Kansas City plan of estimating was indorsed and the plan was recommended to local associations and "round table" groups for use.

8. It was voted that a committee be appointed to consider the advisability of forming a return loads bureau.

9. The convention approved the report submitted by the special advertising committee. This report recommended that the Coast organization recommend to the National Furniture Warehousemen's Association that a national advertising campaign be undertaken, and that in the Coast organization a committee be appointed to further the plan.

The association elected officers and directors as follows:

President, C. C. Lockett, partner Electric Transfer & Storage Co., Sacramento.

Northern divisional vice-president, W. G. Dickinson, president Lambert Transfer & Storage Co., Seattle.

Central divisional vice-president, A. J. Becker, president Becker Storage Co., San Francisco.

Southern divisional vice-president, F. M. Brock, owner Brock Van & Storage Co., Glendale, Cal.

Secretary, Frank A. Payne, Lyon Fireproof Storage Co., Los Angeles.

Treasurer, Grant Orth, owner Orth Van & Storage, Pasadena.

Directors, the foregoing and David C. Bole, proprietor Signal Transfer & Storage Co., San Francisco; Henry M. Burgeson, secretary Wilshire Fireproof Storage Co., Los Angeles; H. B. Lyon, secretary Lyon Fireproof Warehouse Co., Oakland; Harry S. Dawson, owner Dawson's Fireproof Storage, Stockton, Cal.; George W. Rodolph, president Pierce-Rodolph Storage Co., Inc., San Francisco; Mrs. Myda L. Shattuck, manager Hollywood Storage Co., Inc., Hollywood, Cal.; Rodney S. Sprigg, president Premier Fireproof Storage Co., Hollywood, Cal., and Merle E. Turner, secretary Los Angeles Warehouse Co., Los Angeles.

The convention was held in the casino of the Hotel Casa de Rey, Santa Cruz. Henry M. Burgeson, retiring president, introduced Alvin K. Matthews of the Santa Cruz Sea Side Co., who welcomed the delegates. A golf tournament was held on Washington's Birthday, the prize winners being Gus Lee, Rodney S. Sprigg, Frank Allen, Harry S. Dawson and Chester Nelson.

The annual banquet was held on the evening of the 21st. Harvey B. Lyon was toastmaster, and the principal address was made by W. C. Wood, State Superintendent of Banks.

Pennsylvania F. W. A.

NONE of the numerous subjects which claimed the attention of members and guests at the eleventh annual meeting of the Pennsylvania Furniture Warehousemen's Association, held at the Lorraine Hotel in Philadelphia on Feb. 14, proved more absorbing in interest than the topic of arbitration rules. Action taken thereon was of especial significance in that it was directly linked up with the plans of the National Furniture Warehousemen's Association to correct some of the difficulties of the industry. In this connection sweeping amendments to the State organization's by-laws were adopted and the powers of the committee on revision of by-laws were so extended as to give it scope to prepare a comprehensive plan for a more properly State-wide, and not Philadelphia-controlled, body, this proposition coming from Philadelphia members.

The most important action, next to adoption of the amended arbitration rules as an amendment to the by-laws, was the appointment, by the president, Fred L. Harner, of Philadelphia, of a nominating

committee of five which, in turn, was to name candidates for the arbitration committee and report at the March meeting.

Constructive suggestions related to insurance; uniform methods, including accounting; and regulation of drivers and warehouse workers; and discussions covered the matter of the new national long distance hauling corporation and of the activities of the National Association's eastern inter-city removals bureau in connection with overcoming inroads by non-warehouse trucking concerns.

About 75 members and guests attended the business session, outside cities represented including New York, Boston, Baltimore, Newark, Jersey City, Atlantic City, Pittsburgh, Scranton and Wilkes-Barre.

Arbitration

Comprising the new committee of five, to name the candidates for the arbitration committee, are W. H. Protzman, Philadelphia, chairman; Joseph E. Headley, Chester; H. Norris Harrison, Philadelphia; and Thomas W. Harker and Edward Murdoch, Pittsburgh.

Harvey J. Lutz, chairman of the special committee on rules of arbitration, in making his report prior to the offering of the amended rules to the vote of the meeting, explained that his committee, since its appointment last November, had conferred in New York with the American Arbitration Association, to obtain the benefit of its experience in drafting rules for the New York F. W. A., and that out of this conference had grown the tentative set of rules submitted by the committee at the December meeting. He further explained that the changes suggested and passed at that meeting were included in the set now presented and that these rules also had been amended to meet constructive criticism offered by Floyd L. Bateman, Chicago, chairman of the committee on arbitration of the N. F. W. A. The Pennsylvania committee, said Mr. Lutz, had tried to make the rules simple, complete, easily understandable and workable and so that they could be made to apply to controversies between members and non-members of the National, or between members of P. F. W. A. and persons from whom they buy or to whom they sell. The rules, he added, were purely voluntary and the committee believed they were not yet in final form but would be changed as conditions might require.

Mr. Lutz called attention to a portion of the committee's previous report wherein the recommendation was made that, following the adoption of any set of rules, the chairman of the arbitration committee should keep an accurate record, for one year, of the number of cases on which arbitration was requested; the total number of cases on which amicable settlement was made, either by the grievance committee or through arbitration; the number of cases in which arbitration was refused; and a record of the points at issue in all of the cases falling within the three foregoing classes. The committee expressed appreciation of the courtesy and aid extended by Joseph Mayer, secretary of trade relations, and

Miss Frances Kellor, vice-president, of the American Arbitration Association, and by Mr. Bateman. Chairman Lutz attached to his report a letter from Henry Reimers, Chicago, executive secretary of the N. F. W. A., to Mr. Bateman, telling of the enclosure of a rough draft of the form proposed to initiate action before the arbitration committee, or board, which form should be made out by each of the disputants and forwarded to the secretary of the arbitration committee.

The amendment to Section 1, of the arbitration laws, as offered by Mr. Lutz at the January session and which was then approved, and carried at the February meeting, as an amendment to the by-laws, reads:

"Section 1. ARBITRATION COMMITTEE. An arbitration committee consisting of five members shall be nominated and elected at the same time and in the manner as now provided for in Article VI of the Constitution governing the nomination and election of officers and directors.

"The arbitration committee shall also act as a grievance committee to which a member may refer any grievance, complaint, or dispute which he may have with or against any other member. The parties involved shall be invited to appear before such committee for a hearing and the committee shall use its good offices to promote the voluntary adjustment of their differences in harmony with the code of ethics adopted by this association. In the event that the dispute involves a matter that is legally arbitrable, the committee may recommend to the parties that it be voluntarily submitted to arbitration under these rules.

"If, in the opinion of the arbitration committee, a matter at issue between two members is of national importance and would affect the policy of the National Furniture Warehousemen's Association, the committee may recommend to the parties that the issue be voluntarily submitted to the arbitration committee of the National Furniture Warehousemen's Association."

The amendment to Section 9, also approved at the January meeting and passed as an amendment to the by-laws at the February session, reads:

"Section 9. APPOINTMENT OF ARBITRATORS. The parties shall mutually agree upon and designate not more than three arbitrators to be selected from the official panel. With the approval of the arbitration committee, the parties, if both are members of the Pennsylvania Furniture Warehousemen's Association, may, by mutual consent, submit the matter to the arbitration committee of the National Furniture Warehousemen's Association. If the parties, within a period of ten days after the signing of the submission, fail to agree to submit the matter to the arbitration committee of the National Furniture Warehousemen's Association, then the arbitration committee shall appoint such arbitrators from a special panel to be requested of the American Arbitration Association. The three arbitrators shall elect one of their

number as chairman and, if they fail to do so within five days, the arbitration committee shall elect the chairman."

The resolution providing for the arbitration committee and panel of arbitrators for the first year, as previously adopted, states in part:

"The nomination committee shall report to the March meeting. Any two members wishing to make additional nominations may do so from the floor at the March meeting. All nominations shall lie over until the April meeting. Within five days after the February meeting the secretary shall mail to each person, firm, or corporation represented in the membership of the association, a request from such person, firm or corporation to submit to the secretary in writing at, or before, the March meeting, the name of one of its representatives as a candidate for the official panel of arbitrators."

This resolution further provided that at the April meeting each member present may vote for five members of the arbitration committee to serve for the remainder of the fiscal year; and vote for not more than fifteen arbitrators representing companies whose places of business are in Philadelphia and for the same number of arbitrators outside the city, the members, not exceeding 15, receiving the highest number of votes in each group, to hold office for the balance of the fiscal year, or until their successors are elected; also, that outside members shall be allowed to vote for members of the arbitration committee and the official panel of arbitrators by mail, on ballots prepared by the secretary and mailed to them at least fifteen days prior to the April meeting, these ballots to contain the names of all persons nominated for the arbitration committee and the official panel of arbitrators.

President's Report

President Harner's report showed that while business conditions during 1927 were fair, storage had continued to decrease somewhat, as well as packing and shipping, this being due to inroads made by trucks not engaged in the warehousing industry. He said that while prices had been affected by keen competition in the long distance hauling field, it was hoped that the National's inter-city removals bureau and the new long distance van corporation, through efforts to furnish pay loads in both directions, might at least partly if not fully overcome this situation eventually.

New warehousing projects and changes were touched on in the report, as was the National's code of ethics, now adopted by the P. F. W. A. The president stated his belief that the Pennsylvania members were cooperating as never before, thus strengthening the association's position.

The joint report of the directors and the membership committee touched on legislation at Harrisburg and the problem of warehousing cooperation with installment houses and loan companies. The James McGinnis Co., Inc., Norristown, was elected to membership. G. W. Alexander in his report as retiring sec-

retary announced the membership as 57—25 in Philadelphia and 32 elsewhere in the State.

As chairman of the committee on by-laws revision Walter E. Sweeting, Philadelphia, said the association should be more definitely State-wide, with chapters representing Philadelphia, Pittsburgh, etc. He moved the committee be authorized to add to its membership representatives of companies outside of Philadelphia. This was voted. Members in other parts of the State declared they were satisfied with the way the Philadelphia members had been carrying on.

Mr. Alexander, reporting as chairman of the legislative committee, urged the necessity of watching affairs at Harrisburg when the Legislature meets in 1929, declaring there was strong possibility of the introduction of drastic bills in the interest of the Homer Furnishers' Association and unfavorable to warehousing.

Various other committee reports were presented, covering transportation, uniform methods, labor, insurance, cost accounting, etc.

Insurance

Buell G. Miller, Philadelphia, said as chairman of the insurance committee that unquestionably compulsory insurance would be a major issue at the next session of the State Legislature. He added:

"Many truck operators are beginning to feel the need for increased public liability coverage on their trucks. An unwarranted public prejudice against large trucks is apparently reflected in the awards of juries in accident cases where a truck is involved. Quite recently a warehouseman in a nearby city had a serious accident resulting in a death claim which the warehouseman believed could have been settled for \$8,000. The case was taken into the Courts and an award of \$17,000 was granted. The warehouseman, who carried \$10,000 to \$20,000 liability insurance, was faced with a loss of \$7,000. He immediately covered his trucks with \$25,000 to \$50,000 policies. The increases in premium for this extra precaution are less than one who has not investigated would expect. Trucks in the storage group carry a basic rate of 34 cents on \$5,000 to \$10,000 policies for additional coverage."

Mr. Miller told how a discussion of Frizzell & Co.'s plan of writing a special policy for the P. F. W. A. had brought forth information on certain needs, which were for: (1) a policy which would not require that all shipments be insured for *full value* and which would not incorporate a so-called co-insurance or self-insurance clause; (2) a policy carrying a flat rate on railroad shipments, irrespective of length of haul; (3) a policy which would relieve the customer from the necessity of filing and prosecuting his claim for the released valuation and collecting only the excess from the insurance company; (4) a policy which would have either no deductible clause or a more equitable clause than 1 per cent of the amount of insur-

ance, with \$50 minimum and \$100 maximum; (5) a policy which would be actually an all-risk policy.

The committee, it was pointed out, made no recommendation but submitted several policies to be turned over to the new insurance committee.

Mr. Miller then told of what he called a "hazy scheme" he had in mind which might be impractical, but which he would offer for consideration. This is to create an insurance fund among the members of the P. F. W. A. which would be subscribed to by member warehousemen in proportion to the square footage of space in their warehouses, the association to write for customers all-risk insurance at an attractive rate, the premiums to be added to the insurance fund. Should the losses exceed the premiums paid, the fund, it was suggested, could be replenished by member warehousemen in proportion to the losses paid for each company. At the end of the year, the experience could be reviewed and, if advisable, new rates compiled. If the underwriting should show a profit, the profit could be added to the original reserve fund.

In the ensuing discussion Mr. Reimers said transit insurance was more of a national than a local problem and that it appealed to him as a better proposition to have the problem worked out in conjunction with the N. F. W. A. insurance committee. Mr. Miller explained that what was desired was to bring the subject before the National and that the only way to effect this was to bring it up at the present meeting, as the P. F. W. A. insurance committee was not represented in the National insurance committee; however, should the Pennsylvania committee report to the National, it seemed possible to work out a cooperative plan which would be national.

John Nolan, Philadelphia, suggested the appointment of a committee to draft a set of standard regulations to govern drivers, covering such phases as hours for business, instructions as to thefts, gambling, deportment, caring for plants and pets, moving liquor, complaints, courtesy, punching time clock, etc., the whole to be in looseleaf binder form. The chair said such a committee might be appointed or perhaps the uniform methods committee should handle it.

Following election of officers, headed by Fred J. Harner, Philadelphia, as the reelected president, the National's executive secretary, Mr. Reimers, reviewed the National's Hollywood convention and discussed the activities of the inter-city removals bureau. Touching on arbitration, he said:

"You have now approved a plan that may not be used at present and even for a number of years. But it has been thought by the National that arbitration is the most important feature in correcting some of the difficulties and evils in the industry and to tie up with this arbitration we have issued a code of practice, not as definite rule, but as more of an educational code to which we can refer. You are going to be able to work out through arbitration, in an amicable way,

certain differences of opinion. Arbitration is not a matter of being arbitrary in settling disputes; the whole purpose of arbitration is to get the disputants together and bring the question before a group for settlement."

An elaborate entertainment, including dinner and vaudeville, was staged by the association in the evening.

—K. H. Lansing.

(Editor's note: The list of the officers and directors elected at the convention of the Pennsylvania association was published in the March issue.)

Southern

FOLLOWING the selection of Sydney M. Green, Jr., formerly president of the old Southern Bonded Warehouse Corp. of Petersburg, Va., as executive secretary of the Southern Warehousemen's Association, Ernest T. Chadwell, Nashville, president of the Southern, has appointed committees for 1928 as follows:

Legislative: H. C. Allen, Asheville, N. C., chairman; Fred A. Bryan, Chattanooga; W. D. Nesbitt, Birmingham; L. M. Robertson, Orlando, Fla.; C. W. Nixon, Anniston, Ala.; Charles E. Boineau, Columbia, S. C.

Uniform methods and practices (merchandise): Sidney A. Smith, Tampa, chairman; W. D. Nesbitt, Birmingham; R. B. Young, Savannah; H. C. Avery, Jacksonville.

Uniform methods and practices (household goods): C. E. Straeffler, Louisville, chairman; A. A. Botts, Louisville; Jay Weil, New Orleans; J. H. Allport, Asheville, N. C.; T. F. Grace, Tampa.

Cost and accounting (household goods): George E. Butler, New Orleans, chairman; Theodore F. King, Jr., Chattanooga; W. T. Callahan, Miami.

Merchandise rates: H. C. Avery, Jacksonville, chairman; J. P. Ricks, Jackson, Miss.; W. H. Douglas, New Orleans; T. F. Squires, Nashville; John A. McIntire, Asheville, N. C.

Long distance moving rates: J. L. Wilkinson, Charlotte, N. C., chairman; E. C. Lowry, Montgomery; F. R. Wells, Savannah; J. W. Edelen, Knoxville; F. G. Crabtree, Chattanooga.

Insurance: Carl F. Wittichen, Birmingham, chairman; J. O. Price, Nashville; W. L. Stodgill, Louisville; E. J. Benton, Savannah; Eugene Gallion, Knoxville.

Membership: A. H. Laney, Jacksonville, chairman; H. C. Goodman, Birmingham; C. C. Fleming, Jr., Birmingham; H. C. Zaban, Atlanta; L. J. Moeller, Montgomery; J. E. Dupes, Knoxville; F. W. Bruns, Bessemer, Ala.

Texas

THE benefits obtained through the employment of a paid secretary to devote his entire time to the welfare of the organization were reflected in the annual convention of the Texas Warehouse & Transfermen's Association, held in the Lamar Hotel in Houston on Feb.

17 and 18. This was the first year's assembly since the employment of Col. Neill H. Banister as executive secretary, and the increased attendance, increased membership and general prosperity of the association bespoke the good work he has accomplished in a short time.

The first morning's session was opened by an address of welcome by Ben Davidson, Houston's bridge and street commissioner, who represented the mayor. Response was made by R. E. Abernathy, Dallas, who expressed the sentiment of the association when he said, "We have already partaken of your hospitality, and have found it good."

Business conditions in northern Texas were reported by G. K. Weathered, Dallas; in eastern Texas by R. D. Thomas for J. C. Hunter, Texarkana; in southern Texas by O. E. Lattimer, San Antonio; and in western Texas by C. W. Terrell, Amarillo. It was generally agreed that business conditions had improved during the previous month, with the outlook good.

Ben. S. Hurwitz, Houston, introduced William I. Ford, Dallas, the newly-elected president of the National Furniture Warehousemen's Association.

The subject "Stabilizing Long Distance Removals of Household Goods," by K. K. Meisenbach, Dallas, brought about considerable discussion. In the beginning it was agreed that the mileage schedule worked out by Colonel Banister should be accepted as standard by all members. It being impossible for the assemblage to arrive at any agreement on classification and rates, President E. D. Balcom, Dallas, appointed a committee comprising Mr. Meisenbach, chairman, and A. Y. Ridell, Roy Binyon, Fred Albaugh and G. K. Weathered, to make a study of these problems and report back.

The afternoon session opened with a report from the constitution and by-laws committee, by Mr. Ford, who explained what his committee had accomplished pertaining to certain matters governing affairs of the association.

Rates Recommended

The committee appointed earlier by Mr. Balcom recommended the following rates: for all loads up to 350 cu. ft., a charge of 35 cents per mile plus a loading charge of \$7.50; for all loads from 350 to 550 cu. ft., 50 cents per mile and a loading charge of \$10; for all loads of more than 500 cu. ft., 60 cents per mile and a loading charge of \$15. These figures were arrived at only after considerable discussion covering all phases and conditions and were considered as fair and broad as it would be possible to make them. It was voted unanimously to try out these rates for a period of six months—these to be minimum rates—and to report results at the summer meeting.

A paper was read by Colonel Banister covering his activities during the past six months and reviewing the whole year. He summarized what had been accomplished and what was yet to be

done, outlined the problems confronting the industry, and discussed the cooperation he expected from the members. His report showed the association to be in good shape.

D. W. Tackett, Dallas, discussed "Elimination or Classification of Modifications in Tariff No. 9, so as to Secure Uniformity, and Prevent Errors and Wide Differences, in Quoting Services to the Trade." Being a statistical expert, Mr. Tackett was in a good position to go to the heart of his subject. The nature of it, however, was so technical that it was necessary to adjourn the afternoon meeting with the subject still unfinished and Mr. Tackett agreeing to bring in figures the next morning. On Saturday morning he presented a chart which showed his figures in detail. By means of this it was possible to take any classification, its density, etc., and determine an equitable cost for storage.

W. T. Wheeler of the Highway Club of Texas gave a brief talk on the purposes of that organization and asked the endorsement of the association. On a motion by Mr. Ford this was given.

Discussion of rates again resumed, it was moved that the study should be carried on by the tariff committee and a report made at the summer meeting.

"Application of the Southwestern Consolidated Cases" was discussed by C. E. Hollman, traffic manager of the Houston Chamber of Commerce, who explained the new rates on shipments to the Southwest from St. Louis.

The subject of compensation insurance was brought up in a report by Colonel Banister and reviewed by Gus K. Weathered, chairman of a committee appointed at the Mineral Wells convention to investigate this subject.

R. H. Cornell of the Lumbermen's Reciprocal Association gave a brief talk on insurance, while A. C. Aderman of John L. Wortham & Sons Co., Houston, gave an address on points to be considered in an insurance policy, what to avoid, what to watch out for, and what to do to cut down on rates.

The election of officers resulted as follows:

President, K. K. Meisenbach, president American Transfer & Storage Co., Dallas.

First vice-president, Walter Jenull, treasurer Muegge-Jenull Warehouse Co., San Antonio.

Second vice-president, Roy Binyon, president Binyon-O'Keefe Fireproof Storage Co., Fort Worth.

Secretary and treasurer, Edward T. Keough, president A. B. C. Storage & Moving Co., Inc., Houston.

Executive committee members, E. D. Balcom, president Dallas Transfer & Terminal Warehouse Co., Dallas; William I. Ford, president Inter-State Forwarding Co., Dallas; Benjamin S. Hurwitz, president Westheimer Transfer & Storage Co., Houston; G. K. Weathered, assistant manager Dallas Transfer & Terminal Warehouse Co., Dallas; L. C. Abbott, manager Fort Worth Warehouse & Storage Co., Fort Worth, and O. E. Lattimer.

The members' dues were raised to provide for a traveling fund for Colonel Banister, who was retained as field secretary for another year.

At the convention, given on the 17th by the Houston members, Mr. Ford was made recipient of a derby hat, with F. E. Scobey as master of ceremonies. Mr. Ford appeared the next morning wearing the derby hat, a winged collar and spats and carrying a cane.

—B. C. Reber.

New Jersey M. W. A.

AT the annual meeting of the New Jersey Merchandise Warehousemen's Association officers and directors were elected as follows:

President, D. R. Crottsley, vice-president Lehigh Warehouse & Transfer Co., Newark.

Vice-presidents, Eno Campbell, vice-president Campbell Stores, Hoboken, and F. W. Stokes, manager Newark Warehouse Co., Newark.

Secretary, F. S. Shafer, secretary Essex Warehouse Co., Newark.

Treasurer, Frank Stoecker, manager Passaic Transportation Co., Newark.

Directors, the foregoing and Charles E. Fink, traffic manager Bayway Terminal, Bayway; R. A. Adams, vice-president Union Terminal Cold Storage Co., Inc., Jersey City; Willard Eldredge, president Eldredge Express & Storage Warehouse Co., Atlantic City; Harry C. Lewis, secretary Merchants Refrigerating Co., Newark and Jersey City; A. M. Granzen, traffic manager Newark Seaboard Terminal, Port of Newark; E. C. Brown, United States Testing Co., Inc., Hoboken.

Notes

The Vehicular Traffic Association of Montreal is the newly adopted name of the Montreal Team Owners' Association, of which John B. Baillargeon, president of the J. B. Baillargeon Express, Ltd., is president. The object is to bring the name more into harmony with the dual equipment now in use. The organization's scope has been extended to admit companies and individuals operating trucks for hire and making their own deliveries, as active members, and to accept as associate members others interested in vehicular traffic.

The annual meeting of the Washington State Warehousemen's Association will be held in Yakima on May 26. Business sessions will take place at the Chamber of Commerce during the day and there will be a banquet in the evening.

The headquarters office of the Warehousemen's Association of the Port of New York, Inc.—H. I. Jacobson, manager—has been removed to 225 Broadway, New York City.

The New Jersey Furniture Warehousemen's Association has elected to membership Benton & Holden, Inc., Elizabeth.

Robert I. Hobson Is Killed in a Motor Car Accident

ROBERT I. HOBSON, who was associated with his brother, John O. Hobson, in conducting the Fordham Storage Warehouse, household goods warehousing in New York City, was killed on the night of March 4 in an automobile crash near Princeton, N. J. He was 26 years old. William Hobson, the father of the two boys and who controlled the business, died about nine months ago while touring Europe.

A member of the National Furniture Warehousemen's Association, "Bob" Hobson attended the National's convention at Hollywood, Fla., in January, and was a familiar figure on the beach. He had been an athlete of note at Princeton University and prior to that at the Evander Childs High School in New York. At Princeton, from which he was graduated in 1926, he played on the 1925 football team. In 1926 he managed the hockey team. He was on the water polo team two years. As a student he was an honor man at Princeton and belonged to the university's leading clubs.

Mr. Hobson was a member of the New York Furniture Warehousemen's Association and of the Upper New York (City) Warehousemen's Association. At the March meetings of these two organizations the members stood in silence as a tribute to his memory.

The accident on March 4 happened while Mr. Hobson was at the wheel. His car and another crashed head on and both were wrecked. Mr. Hobson's car overturned and his head was crushed, and he died a few minutes after he was taken to the Princeton Hospital. Three other occupants of the car were injured.

McCann Left \$1,072,327

James McCann, who owned McCann's Fireproof Storage Warehouse Co., Inc., and who died on March 21, 1925, left an estate which was recently appraised at \$1,169,177 gross and \$1,072,327 net.

After leaving bequests of \$3,000 to charity and \$1,000 to a nephew, he gave a third of his income from the residuary estate to his widow, Margaret McCann, now the company's vice-president, and the remainder to his sons, Joseph J., now the firm's president; George P., the company's secretary, and James F., and his daughter.

The realty holdings were valued at \$984,844 and included his storage warehouse, worth \$116,447.

Resolution by Truck Owners of Northern Indiana

Sixty motor truck owners, most of whom operate trucks in northern Indiana, at a meeting on Feb. 15 at the Hammond Chamber of Commerce, adopted a resolution calling for the repeal of the State motor vehicle license law as a means of raising money for road construction.

Tom Snyder and other representatives

of the Motor Truck Association of Indiana led the discussion of the present situation in Indiana. Others present spoke freely and it was the consensus that State highway building should be financed from the gasoline tax alone and that the license plate be merely a means of identification.

The association favors a wheel tax for all vehicles to raise money for street construction and repair in the cities.

During the Hammond meeting it was brought out that 85 per cent of all trucks owned in the cities of Indiana have no occasion to and do not use State highways, and that 60 per cent of all trucks owned in the State of Indiana have no occasion to and do not use State highways.

The vehicle license tax law provides that trucks must pay a license tax for State highways which they do not use, and the same law provides that passenger cars may not be taxed to pay for city streets which they do use.

W. W. Morse's Mother Dies

Mrs. Lydia Whitcomb Morse, mother of W. W. Morse, president of the Security Warehouse Co., Minneapolis, and a past president of the American Warehousemen's Association, died on Feb. 23 at her home in Minneapolis. She was in her ninety-third year.

Hundreds of shippers subscribe to the annual Warehouse Directory. Why? Because they consider the information therein reliable, dependable, authentic, up to date.

To Query Greeley

The Flatbush Gardens Civic Association, in the Jamaica Bay section of Brooklyn, decided at a meeting on March 13 to send a letter to Alton H. Greeley, president of the General Storage Co., Cleveland, and chairman of the board of the American Chain of Warehouses, asking whether any further steps were being taken by him to induce the city of New York to act favorably on the proposed terminal warehouse project along the Jamaica Bay waterfront.

"If Mr. Greeley does not carry the matter further," Frederick Boyd Stevenson, the association's president, said, "I am sure that sufficient local capital can be interested."

New "DSInc" Address in New York

The New York City office of Distribution Service, Inc., was removed on March 10 to 39 Pearl Street from 100 Broad Street. Both are in the building of the Bush Terminal Co., so that the change is merely from one section of the structure to another. Joseph G. Temple is New York manager of the organization.

The annual Warehouse Directory is the recognized reference book of the industrial sales and traffic manager.

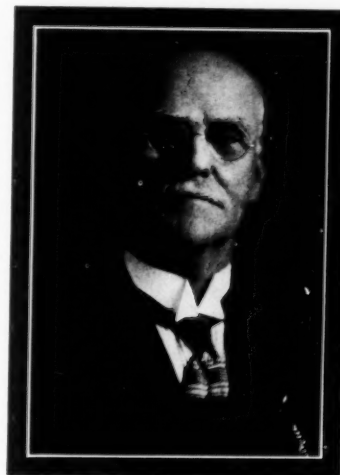
E. A. Macomber Dies; Was U. S. Storage Co. President

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

EDWARD A. MACOMBER, president of the United States Storage Co., Inc., died on March 14 at the age of 82. He had been fighting a dangerous illness for a year.

A native of Massachusetts, Mr. Macomber had lived in Washington most of his adult life. For nearly three decades he had been in the storage business with Henry S. Mott, the company's vice-president. The two began their warehousing

Edward A. Macomber



President of United States Storage Co., Inc., Washington, D. C., Mr. Macomber died on March 14 at age of 82

ing activities in middle life and developed it until today it occupies a nine-story warehouse at 418-426 Tenth Street, N. W., as related in the Old Family Album sketch published in the March issue of *Distribution and Warehousing*.

Mr. Macomber was a life member of the City Club of Washington and a member of the Washington Board of Trade, the Merchants and Manufacturers Association, the Masonic fraternity, the National Furniture Warehousemen's Association and the merchandise division of the American Warehousemen's Association.

He is survived by his widow, Mrs. Nancy J. Macomber, and two sons, Raymond E. Macomber, who was superintendent and general manager of the warehouse company, and George E. Macomber.

Henry S. Mott, who has been vice-president, succeeds Mr. Macomber as president of the warehouse firm. Mr. Mott is succeeded as vice-president by Raymond E. Macomber.

—R. A. B.

Old Family Album Unfolds Career of W. G. Dickinson

(Concluded from page 26)

reverses, having become too deeply involved in civic enterprises, such as water mains, lighting systems, and the building of cable lines. During the Cleveland administration he lost a million dollars in a single year, and finally Mr. Dickinson's entire savings were swept away in an attempt to aid his employer.

This meant starting up the ladder all over again as bookkeeper and accountant for various firms. At the height of his prosperity he had made a return trip to England, but he had no desire to go back there to remain permanently, so he worked on in the country of his adoption. At length, just as he was rounding out his first twenty years in America, the old United Warehouse Co., still operating in Seattle, hired him. He has been in the public storage business ever since.

Reducing Debts

Mr. Dickinson has been with the Lambert firm eleven years. His predecessor was a teamster who had worked himself up from the ranks with little knowledge of business methods. Mr. Dickinson was asked to take the helm and see what could be rescued from the chaos.

After the death of Mr. Lambert, Mr. Dickinson bought the business, retaining the name under which it had been incorporated. The firm's indebtedness had by then been reduced from \$35,000 to \$10,000—in five years.

Needless to say, they were not easy years, and the man who bore the burden recalls now, with a smile, that he had more worry on his shoulders in those days than he knew what to do with. The greatest difficulty was, as might be expected, the business of staying off the company's creditors. This he managed by simply telling the truth with all frankness and by making a specialty of never breaking a promise—and never making a promise unless he was practically certain of being able to keep it.

This policy is still in effect, employees of the company being instructed that unless they can have a van at a certain place at a specified time they are to say with regret that they cannot undertake the job.

The building—at 413-423 North Boren Avenue—bought by Mr. Dickinson at Mr. Lambert's death, still is in use—no longer new but a shining example of the state of repair in which an old structure can be kept. It has a storage capacity of 48,000 square feet. It is equipped with sprinkler system besides fire and burglar alarm systems. Built of concrete and brick, it enjoys a low rate of insurance. The company stores household goods exclusively, specializing in hauling and packing pianos.

Mr. Dickinson was president of the Washington State Warehousemen's Association in 1925 and 1926. In 1924 he was president of the Pacific Coast Fur-

niture Warehousemen's Association, of which he was recently elected northern divisional vice-president. He holds membership also in the National Furniture Warehousemen's Association and the Canadian Storage & Transfermen's Association. He is a Mason and a Shriner, being a member of Nile Shrine in Seattle, where originated the slogan "Smile with Nile."

Seattle is as "folksy" as an Edgar Guest rhyme, and when it comes to reminiscences Mr. Dickinson's career as a pioneer has many colorful high lights. On June 6, 1889, the city was virtually wiped out by fire; consequently everything in Seattle dates from the time of the fire. Mr. Dickinson, at that time an employee of D. T. Denny, joined the Washington Territorial Militia, with which he fought fire for thirteen days. Later he was detailed to guard duty for thirteen days. So, after the conflagration was over, he was paid a salary by the State, by the city and by his employer. This was considered about the last word in getting-rich-quick methods in those days.

He also came to know the early-day Indians rather well, as Mr. Denny was considered a wise man by the natives and they frequently came to his office to seek counsel, especially after he had mastered their tribal language—Chinook.

The World War brought its share of experiences as a warehouseman, too, for directly after the armistice scores of shipbuilders, no longer needed by the Government, stored their lares and penates and left the city. As time went on most of these were redeemed, but every warehouse in the city suffered a certain amount of loss in having to auction off household goods to satisfy storage charges.

A second trip to England, after an absence of thirty-two years, was all that was needed completely to convert Mr. Dickinson into a thoroughgoing American. English memories still are tender, but they are only memories, he declares, and finding a warehouse that he knew as a boy in Liverpool still hoisting furniture up a staircase did not fire him with ambition to return to the land of his birth to engage in the storage and moving business.

In Merrie England

Neither did a call he made on a boyhood friend, now an eminent "solicitor," as our English cousins quaintly denominate their family lawyers.

"Why don't you wash your buildings over here?" the visiting Seattleite inquired.

His host stared, horrified, for a moment, and then his voice returned.

"But, my dear man," he said, "they wouldn't look old any more if we did."

So the president of the Lambert Transfer & Storage Co. went back to Seattle.

What the Americans are pleased to call "the English accent" is closely akin, however, to the leopard's spots. Returning to his adopted land, he told the various reporters who interviewed him

First National Materials Handling Meeting April 23-24

THE first National Materials Handling Meeting ever held will take place at the Benjamin Franklin Hotel in Philadelphia on April 23-24 under the auspices of the materials handling division of the American Society of Mechanical Engineers.

The technical program announced includes discussions of fundamental applications of principles of materials handling in various types of industries, including the uses of conveyors, elevators, electric trucks, cranes and other equipment.

Modern handling methods in railroad transportation will be considered in a paper by G. C. Woodruff, assistant freight traffic manager of the New York Central Railroad. Materials handling on steamship piers will be discussed by Willard C. Brinton, president of the Terminal Engineering Co. Another paper, by F. J. Scarr of the Scarr Transportation Service, will be devoted to store door delivery of freight by motor trucks.

Warehouse to Stage Toy Fair

The new building, at 324 North San Pedro Street, of the Los Angeles Warehouse Co., will be the scene of activity of the first annual market week and fair of the Southern California Toy, Sporting Goods and Camping Goods Fair Association, to be held under the auspices of the Los Angeles Chamber of Commerce on May 7-12. The Los Angeles Warehouse Co. gave a luncheon, on Feb. 1, at which the association was promoted, and Sidney J. Beer of the storage firm was elected honorary president.

Lindbergh and Plywood

When Charles A. Lindbergh, aviator and good will ambassador, made a trip over his former Chicago-St. Louis air mail route, on Feb. 21, he carried in his pouches some letters which the Haskellite Manufacturing Corporation, Chicago, sent to St. Louis customers and prospects.

The identical text of the letters disclosed to the recipients that "The plywood in the plane in which this letter was carried is Haskellite, as practically all the plywood used in the construction of the 'Spirit of St. Louis' is Haskellite."

New Indiana Company

The Scott Public Warehouse Co., New Albany, Ind., has been incorporated, with capital stock of \$1,000, to engage in public warehousing. The incorporators are Charles M. Scott, Edmund K. Scott and Dilla C. Wiseman.

on conditions abroad what a good American he had become. One of the scribes entitled his story "'Ammer, 'ammer, 'ammer on the 'ard 'ighway'."

Mr. Dickinson does, on occasion, put his H's in storage.

Life of Joseph H. Meyer Told in Old Family Album Sketch

(Concluded from page 27)

Christian W. Weachter, who had a wood and coal office where he used to chop wood for fireplaces and send it out in push carts to be sold on the streets—three bushels for a quarter. The two went into partnership, selling fire wood and coal, and as time went on they decided that they would like to get into the warehouse business. Mr. Meyer investigated, and the outcome was the building of a small structure on the site which the Federal occupies at present—at 1230 North Clark Street.

That was in 1910. The partners had seven or eight horses by then, and there was a barn in the rear of the new warehouse. The barn, in fact, was built first.

The new firm had \$5,000 toward financing the enterprise but it needed \$11,000. So Mr. Meyer began "touching" all his friends for a few hundred each, and giving notes in return. By the time he had raised all but \$1,700 the warehouse also was raised.

All but the roof.

Now everybody knows that a warehouse without a roof is extremely impractical. So while Mr. Weachter tore his hair and raved, Mr. Meyer set his wits to work to see what could be done.

High Finance

There was no money to be borrowed, but the strategist had credit with the Reading Coal Co. So along the fashionable drives of Chicago's Gold Coast he conducted a special sale of hard coal. This, by the simple expedient of not paying the coal company, netted him enough money to supply the missing roof!

Called on the carpet—and how!—some time later, Mr. Meyer was able to make the officers of the coal company appreciate the joke and accept notes in lieu of cash, and these notes were the *raison d'être* for an annual fight for three years before they were finally taken up and paid.

Mr. Meyer in the meantime had been consistently borrowing from one friend to pay another, to keep his business going, paying one man one day and then immediately borrowing the money back to pay someone else who had loaned it to him. His partner, he says, "went nuts" and thought he would never get out.

Egged on by the folly of youth, Mr. Meyer battled it through, however—even concocting a story whereby one of Chicago's most conservative banking institutions was induced to lend him \$30,000 on security valued at \$10,000.

In 1915 Mr. Meyer doubled the capacity of his warehouse and bought out his partner. Prior to that time it had become necessary for him to take care of a younger brother, so he "pulled another fast one" by sending the lad to W. C. Reebie & Brother, Inc., respected competitors, who taught him most of the intricacies of the warehouse business before Mr. Meyer incorporated the Federal company and took the younger

Meyer, A. W., in with him as vice-president and treasurer.

In 1920 Mr. Meyer got rid of his last horse, selling seven horses and five wagons, a load of hay, and 100 bushels of oats, to a farmer for \$475. Just to make the deal more attractive he threw in all necessary harness, van equipment and \$60 worth of horse medicine. He now operates fifteen motor trucks.

About this time Mr. Meyer was appointed receiver of a bankrupt estate, and when the litigation was over he had acquired the warehouse that was part of it, leasing it first and finally purchasing it, in 1921, to make good an option. This building is at 871-873 North State Street. At present he is contemplating the erection of a new warehouse.

Mr. Meyer is a member of the board of directors of the Cosmopolitan State Bank of Chicago. His other interests are many and varied. His real estate investments include a "gopher farm" in North Dakota. He is a member of the board of directors of the National Furniture Warehousemen's Association and for two years he was president of the Illinois Furniture Warehousemen's Association. He is a confessed "cabaret hound," always insisting on a "ringside" seat no matter who has to be thrown out to make this possible, and as chairman of the entertainment committee of the Illinois association he put on a number of shows that still linger in the memory of those who saw them.

He is an amiable individual and a thoroughgoing sportsman. Having played football as a boy, he never misses a college game now if it is possible for him to attend. With his wife, Camille, whom he affectionately calls "the Wop," he makes frequent long trips into the North Woods, fishing, shooting wild geese or tracking big game with an Indian guide. Prairie chicken or wild duck hunting call him frequently to the wilds of northern Wisconsin or to his ranch in North Dakota. When not thus engaged he lives, where he was born, on the North Side of Chicago, with Mrs. Meyer and a daughter, Shirley.

New Lyon Utility Truck

(Continued from page 19)

steel, with the crossbar of 1-inch outside diameter, the height above the floor being 30 inches; the handle is made purposely low so as to enable the operator to reach over it, when desired, in loading. Two of the casters are 4-inch diameter and 1½-inch face stationary, and one caster is 3-inch diameter and 1½-inch face swivel; all wheels have roller bearings; semi-steel wheels are furnished as regular equipment, but the trucks may be furnished with Divine cushion wheels, Nokut wood wheels, or other types as desired, at extra cost. The entire unit is painted black.

The company's bulletin 101 describes and illustrates the various uses of the truck.

Further Rail Competition

Faces Boston Warehousemen

MASSACHUSETTS warehouse interests are aroused over plans of the Boston & Maine and New York, New Haven & Hartford railroads to go into the storage business.

A charter was recently granted to the Boston & Maine Terminal Building Co., which, a Boston & Maine subsidiary, purposes to construct a freight distributing terminal and warehouse building on a 45,000-square-foot lot at Causeway and Beverley streets. The building would be at least thirteen stories high, with approximately 5000 square feet to each floor, and would cost about \$2,200,000.

Boston warehousemen are opposing the plan.

The New York, New Haven & Hartford has asked that the building height limit be increased so as to permit the building of a fifteen-story warehouse adjacent to the road's Back Bay station.

Correction

Dr. Frank H. Hartman, chief chemist of the United States Ozone Co., Chicago, was misquoted, on page 49 of the February issue of *Distribution and Warehousing*, in the report of the eighteenth annual convention of the National Association of Practical Refrigerating Engineers, in San Francisco.

Dr. Hartman was credited with saying that "it is very dangerous to let outside air into cold storage rooms." His paper did not contain this statement, and in calling attention to the mistake he writes:

"There are conditions under which it may become essential to introduce outside air. However, the practice is obviously uneconomical and for this reason is to be discouraged.

"I am quite confident that the gentleman who read this paper agrees with me on this point and that if he made a statement even suggestive of the one appearing in your journal it was made with ample qualification so that no misunderstanding of its true meaning could be made.

"I would appreciate your correcting this statement in a subsequent issue, for as it stands at present it is entirely misleading."

The report of the convention was sent to *Distribution and Warehousing* by one of the magazine's Pacific Coast correspondents.

Decatur, Ind., Co. Incorporated

Articles of incorporation have been issued in Indiana to the Decatur Warehouse Co., Decatur, the incorporators being Orval Shumate as president, R. C. Shumate as vice-president and J. M. Allen as secretary-treasurer. The firm is authorized to issue up to \$20,000 of common and \$10,000 of preferred stock. The company is operating the former McClelland Grocer Co. warehouse.

New Orleans Warehouse Industry Opposes Proposed Removals Ordinance

EFFORTS by New Orleans installment houses to compel local moving and storage companies to supply them with information regarding the disposition of clients' household goods have aroused the New Orleans warehouse industry.

A proposed city ordinance, which already had been through its first "reading" early in March, is branded as unfair on the part of credit associations and others interested in commodities sold on the time-payment plan.

The New Orleans moving and storage men are uniting in their fight against the proposal, and those identified with the movement appear confident of victory, inasmuch as they defeated a somewhat similar ordinance about two years ago.

It is believed probable that once the moving and storage men have united in this fight they will organize a permanent association, which, it is suggested, would offer protection to the trade. The industry's national organizations cannot be expected to participate in purely local problems, it is pointed out, and the feeling is general that the New Orleans moving men should form at once an association which would offer relief from such invasions of their private business as the present proposed ordinance, and at the same time serve to correct certain evils which are recognized to exist locally within the trade.

At the office of William Gallagher, president of the Gallagher Transfer & Storage Co., Inc., it was said:

"We would be compelled to pry into the private affairs of our customers to satisfy the installment houses. It should be the task of a credit manager to determine the risk of a prospective purchaser of furniture and other household goods, and not the enforced duty of moving men to insult their own customers by demanding itemized lists of the furniture they have bought on installment payments. It has been asserted that installment houses lose about 10 per cent or even less on such purchases, and in all justice and fairness it should be up to those people to protect themselves at their own expenses and not expect us to do their detective work free."

"Class Legislation"

The proposed ordinance is "class legislation," in the opinion of George E. Butler, secretary of the O. K. Storage & Transfer Co., Inc., who added:

"It is unsound and unfair. When a somewhat similar ordinance was introduced about two years ago the moving men united and went before the Commission Council to protest. We were successful in defeating the measure, and personally I am surprised that the ordinance has been revived."

While it is true that in many cities the

transfer and storage men are required to supply information similar to that proposed by the local installment houses, the New Orleans trade feels that too much restriction has been placed on the private affairs of business men as it is, and the local trade is determined to defeat the ordinance if possible.

Commenting editorially, a local newspaper recently termed the ordinance a "proper safeguard for legitimate business." It is patent, Mr. Butler pointed out, that the man who wrote this editorial had not informed himself of both sides of the question, and accepted the position of the installment houses as a fair and just request to make of the storage and moving men.

A Newspaper's Attitude

The editorial reports that the measure "would require persons, firms or corporations moving personal property of a resident from one place of abode to another to report to the police department within twenty-four hours the name of the individual moved, the address from which he was moved and the street address to which his belongings were transferred." It continues:

"All varieties of household equipment nowadays are sold on the installment plan. In a very great majority, the purchasers are honest and the transaction proves safe and satisfactory to buyer and seller alike. No honest person will be in any way affected by adoption of the safeguard against the few dishonest folk who may seek to defraud by selling or hiding away goods they have not paid for. Recordation with the police department of the transfers of household goods or belongings is required in many other cities with excellent results, we are told. We see no objection to adoption of the same precaution here, and manifest advantages to the city's business in the protective system minimizes the losses suffered at the hands of crooked and unscrupulous folk who use the installment houses to obtain possession of goods to be stolen instead of paid for."

"The proposed check upon the moving of household effects should involve no inconvenience or hardship; by halting or minimizing the practice of fraud and theft it should bring material benefit to honest business and in that way promote the general community welfare."

These views were criticised by Mr. Butler.

"I do not wish to take the position of being in favor of aiding dishonest people," Mr. Butler explained, "nor do I wish to stand in the way of the 'general community welfare,' but it seems to me there are enough eyes prying into the private affairs of our citizens by those who are paid to pry, without trying to make spies out of business men engaged in legitimate trade. If the installment houses had come to the moving men with a fair proposal—if they had come to us and put their cards on the table and ex-

plained they were losing some business through cheats, and asked us to help—it is very likely that we could have got together and worked out some fair and just plan that would not be a hardship on the moving men and at the same time would be satisfactory to the installment people. Instead of that they seek to force an unfair bit of legislation down our throats and to put us on the same plane with pawnbrokers, who are required to report to the police all items they purchase each day."

"If we were forced to abide by such an ordinance we would be compelled to add extra employees to our staff to compile this information. We would be forced to pay these employees. If we are compelled to ask our clients to indicate the furniture they have not paid for, which is being moved, and to itemize each piece, we would risk losing clients that we have served for years. We would be compelled to do more than a bank is required to do, in that bankers are not compelled to give information about their depositors' accounts. I regard the questions that we would be compelled to ask our clients as being on the same plane as such a personal question as dealing with a man's bank account."

In Salt Lake City

Not long ago the municipal authorities of Salt Lake City were asked to enact a similar ordinance which was sponsored by the Retail Merchants' Credit Association, but it was not enacted. Moving firms protested vigorously, declaring they would become "stool pigeons" if such a statute went on the books.

An interesting recent aftermath is the announcement by two young men that in return for stipulated remuneration they would furnish daily reports of persons moving from one address to another, and a great many merchants and others began taking advantage of this service. The source of the information was stated to be "secret." One of the organizers of the service said: "We do not guarantee that the list is perfect, but it gets most of the removals and is nearly correct."

Situation in Dallas

The Retail Furniture Merchants' Association of Dallas held a meeting recently to discuss the moving ordinance which requires transfer men to record at the City Hall the moving of any family. Opinions were expressed that the city should either enforce or repeal the ordinance. A committee was appointed to ascertain from the city authorities which course was to be pursued.

A year-round reference volume on the desks of national distributors is the annual Warehouse Directory. It is the book they consult when selecting warehouses to store and distribute their products.

When you ship goods to a fellow warehouseman—use the 1928 Warehouse Directory.

OUR SERVICE

The Service we sell to warehousemen is not duplicated by any other architect or firm of architects in the country. We are the only architects specializing exclusively in warehouses who have a *permanent* organization of licensed architects, structural engineers and mechanical engineers. Warehousemen frequently inquire about the exact service we render. Here is a synopsis of our work.

Preliminary Studies

When we are called into consultation on a warehouse project in its preliminary stage we co-operate with our client in selecting property and advise him as to the proper size of the new plant. This advice is based on a study of the territory and an investigation of potential business. Our advice in this respect is invaluable because of the experience gained in handling scores of warehouse propositions all over the country.

After property is secured and the general size of the building determined upon we make an intensive study of the layout of the warehouse. To the ideas of our clients we add the experience obtained in designing all types of warehouses and thereby arrive at a layout best fitted to the particular project. The layout finally arrived at is not one decided upon in a few hours or a few days, but is always the result of a thorough study of the proposition from the standpoint of location, efficient layout of the building from the operation standpoint and the economical layout of the building from the structural standpoint. While most warehouses of today are built of reinforced concrete, each proposition is studied to ascertain the most economical type for the case under consideration and comparative designs and estimates are made so that whatever is finally arrived at is the most economical structure that can be erected to serve the purpose.

Insurance requirements are studied so that the completed building will have the lowest insurance rate possible with the layout desired.

Financing

As soon as the preliminary plans are decided upon, we prepare a financial report which consists of a short history of the existing business; a description of the territory to be served by the proposition; why in our opinion the new project will be successful; a description of the building; copies of the preliminary plans; a statement of the estimated earnings and a statement of the estimated operating expense.

This report is generally found to be of real help in arranging the financing of the project.

Because we are not promoters, we cannot assist our clients directly in financing their proposition but on account of the large number of successful plants which we have handled we are very often able to put our clients in touch with interests who will finance the proposition or assist in doing so.

Final Plans and Specifications

After the preliminary plans are determined upon, we

prepare final plans and specifications. These plans and specifications are as complete as they can be made. To our average client this does not mean very much until our plans and specifications are completed and he hears comments from all sides as to their completeness. Even then he is doubtful as to what it means to him in dollars and cents. It means that all contractors bidding on his proposal are basing their proposition on something definite. If plans and specifications are not complete, it is the general practice of contractors to add a definite percentage to their estimate for items that they know should be included in the job, but which are not definitely specified. Our plans reduce the amount of "extras" to a minimum—we are glad to show prospective clients the exact amount of extras on all our past work.

Our plans and specifications are divided into three parts—all of which are complete in themselves and co-ordinate with each other. The architectural plans are prepared by a force of licensed architects among whom are men who have been connected with our firm for years. The structural plans are prepared by licensed engineers, experienced in designing every type of warehouse and handling all kinds of engineering problems. The mechanical plans which completely detail all electrical work, plumbing work, heating work, fire fighting equipment and refrigeration work are prepared by our own mechanical engineers who have handled millions of dollars worth of similar work for warehouses. *All of this work is done in our own office by our own men.* It is the custom of most architects to have some of their work done in their office and some done by outside engineers or firms whom they engage job by job. Work done under one organization is more efficient than work done in several scattered offices.

Awarding of Contracts

We assist our client in awarding contracts. Usually, the plans and specifications are sent out for competitive bids among a group of carefully selected contractors and the work is awarded to the lowest bidder.

Supervision

An engineer is detailed to watch the construction of our buildings. This man makes daily reports to our office so that our department heads are constantly in touch with the progress of construction. Each job is regularly visited by the department heads so the work is given double checking.

We approve all payments to contractors and thus protect our clients in their dealings with their contractors.

After construction work is completed, we are at the call of our clients to aid them in maintaining the building for a reasonable length of time.

Fee

The charge for our service is based on a percentage of the cost of construction. *We do not cut our fee in order to compete with other architects* because we are organized to give only the best service possible and a cut in fee by any architect means a cut in Service.

USE OUR SERVICE

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110 East 42nd Street



New York City

United States Supreme Court Upholds States' Cooperative Marketing Laws

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

THE validity of cooperative marketing laws of forty-two States has been upheld by the Supreme Court of the United States in the test case brought by the Liberty Warehouse Co., which operates a warehouse at Maysville, Ky., against the Burley Tobacco Growers' Cooperative Marketing Association, incorporated under the Bingham cooperative marketing Act passed by the Kentucky Legislature in 1922.

Holding that the warehouse company was liable to the Tobacco Growers' Association for the payment of \$500 and attorneys' fees, provided in the Bingham Act for its violation, the decision sustained the right of associations or corporations organized with membership limited to agriculturists, to enter into contracts for the purchase and sale of farm products.

While the decision, written by Justice McReynolds, disposed only of the instant case, it left no doubt that it is to be applied as a precedent governing similar laws in all other States.

No broader case for the purpose of testing cooperative marketing laws could have been conceived.

It involved the delivery by Mike Kielman, a grower and member of the association, of 2000 pounds of tobacco to the Liberty company in 1923. Kielman voluntarily sought the services of the warehouse company and the facts reviewed by the Court in no detail established that he was induced to make the delivery. The company was informed that Kielman was a member of the association and had pledged delivery of his crop to the association by signing a standard form of contract. After the tobacco was delivered to the warehouseman, the association warned the company against its sale.

What the Bingham Act Is

Briefly, the Bingham Act authorizes the incorporation of non-profit, cooperative associations for the orderly marketing of agricultural products; and provides that only producers may become members and that the corporation may contract only with them for marketing such products. It declares that these contracts shall not be illegal; prescribes penalties for interfering therewith, and further provides that the association shall not be deemed a conspiracy, illegal combination or monopoly.

It was urged by counsel for the warehouse company that the Act takes from the warehouseman the right to carry on business in the usual way by accepting and selling the tobacco of those who voluntarily seek its services and thus unduly abridges its liberties insured by the Constitution.

"Undoubtedly the statute does prohibit and penalize action not theretofore so restricted and to that extent interferes with freedom," the decision states, "but this is done to protect certain contracts which the Legislature deemed of great

importance to the public and peculiarly subject to invasion. We need not determine whether the liberty protected by the Constitution includes the right to induce a breach of contract between others for the aggrandizement of the intermeddler—to violate the nice sense of right which honorable traders ought to observe."

The chief contention of the warehouse company, and the only contention considered by the Supreme Court in its decision, was that the Bingham Act "abridges defendant's privileges and immunities as a citizen of the United States and deprives defendant of its corporate life, liberty and property without due process of law and denies it the equal protection of the laws."

"Certainly the statute impaired no right of the warehouse company guar-

Warehousemen would be amazed to know the number of telephone inquiries which *Distribution and Warehousing* receives, seeking information regarding reliable storage companies in all parts of the United States and Canada. This is one way in which is increased the circulation of the annual *Warehouse Directory*—which answers the inquiries.

anteed by the Fourteenth Amendment by merely authorizing corporations with membership limited to agriculturists and permitting contracts for purchase and resale of farm products," the Court held. "This is also true of the declaration that such associations shall not be deemed monopolies, combinations or conspiracies in restraint of trade, and that contracts with members shall not be illegal. The State may declare its own policy as to such matters."

The Court reiterated its decision that corporations do not possess the privileges and immunities of a citizen within the meaning of the Constitution and dismissed as unimportant the allegation concerning deprivation of corporate life.

The judgment went against the warehouse company in the lower Court upon interpretation of section 27 of the Bingham Act, which hits warehousemen who solicit, persuade or permit a member to break his marketing contract by accepting or receiving pledged products for sale, and subjects them to penalties.

"Do the provisions of the Bingham Act which afford peculiar protection to marketing contracts with members of the association deprive the warehouse company of equal protection of the laws, or conflict with the due process clause of the Fourteenth Amendment because without reasonable basis and purely arbitrary?" the Court asked. "These questions may be fairly said to arise upon the present record."

"The statute penalizes all who wittingly solicit, persuade, or induce an association member to break his marketing con-

tract. It does not prescribe more rigorous penalties for warehousemen than for other offenders. Nobody is permitted to do what is denied to warehousemen. There is no substantial basis upon which to invoke the equal protection clause.

"It is stated without contradiction that cooperative marketing statutes substantially like the one under review have been enacted by forty-two States. Congress has recognized the utility of cooperative associations among farmers in the Clayton Act, 38 Stat. 731; the Capper-Volstead Act, 42 Stat. 388; and the cooperative marketing Act of 1926, 44 Stat. 802. These statutes reveal widespread legislative approval of the plan for protecting scattered producers and advancing the public interest. Although frequently challenged, we do not find that any Court has condemned an essential feature of the plan with the single exception of the Supreme Court of Minnesota."

"Liberty of Contract"

The Court then pointed out and cited cases in Alabama, Arkansas, New Hampshire, North Carolina, Wisconsin and Tennessee which upheld statutes similar to the Kentucky law. Numerous other citations were given. In conclusion the Court declared:

"The opinion generally accepted—and upon reasonable grounds, we think—is that the cooperative marketing statutes promote the common interest. The provisions for protecting the fundamental contracts against interference by outsiders are essential to the plan. This Court has recognized as permissible some discrimination intended to encourage agriculture. And in many cases it has affirmed the general power of the States so to legislate as to meet a definitely threatened evil. Viewing all the circumstances, it is impossible for us to say that the Legislature of Kentucky could not treat marketing contracts between the association and its members as of a separate class, provide against probable interference therewith, and to that extent limit the sometime action of warehousemen.

"The liberty of contract guaranteed by the Constitution is freedom from arbitrary restraint—not immunity from reasonable regulation to safeguard the public interest. The question is whether the restrictions of the statute have reasonable relation to a proper purpose. A provision for a penalty to be received by the aggrieved party as punishment for the violation of a statute does not invalidate it."

—P. G. L.

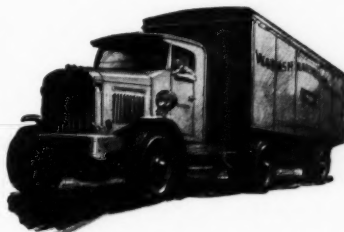
Federal Barge Line Resumes

April 2 has been set as the date for resumption of regular service between St. Paul, Minneapolis and St. Louis on the Upper Mississippi River by the Inland Waterways Corporation. For the present there will be two sailings a week in each direction.

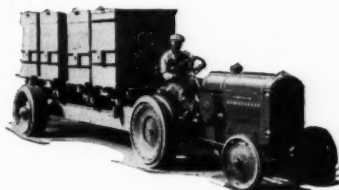
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Canadian Pacific Railway
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Chicago & Eastern Illinois
Chicago & North Western
Chicago, Burlington
& Quincy
Chicago Junction Railway
Chicago, Milwaukee, St. Paul
& Pacific
Chicago, Rock Island
& Pacific
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THIS Chain-Drive Heavy-Duty *International Truck* is on the job for the Wabash Railway, working with a battery of All-Steel Semi-trailers. The outfit saves as high as 72 hours per shipment. It replaces hundreds of trap cars and line cars every month. The railroads are using every size and type of truck in the International Line, including the $\frac{3}{4}$ -ton Special Delivery; 4 and 6-cylinder Speed Trucks for $1\frac{1}{4}$, $1\frac{1}{2}$, and 2-ton loads; and the Heavy-Duties, double-reduction and chain-drive, up to 5-ton.



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INTERNATIONAL HARVESTER COMPANY

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[Incorporated]

Northwest Inaugurates Desk Room Space for Manufacturers

THE Northwest Warehousing Co., Minneapolis, announces the opening of a "Manufacturers Exchange" for the representatives of all manufacturers with distribution in this "billion dollar market."

From its location "Northwest" is known as the "up-town" warehouse, being located at the inside angle point of the loop wholesale and retail districts, and is within easy walking distance of establishments in both districts, and just outside of the restricted parking zone.

Since its opening four years ago "Northwest" has maintained single and en suite offices for many of its storage patrons, and in the opening of its Manufacturers Exchange has provided furnished desk room space for manufacturers and their representatives who do not require larger quarters.

The new "Northwest" plan has been standardized by furnishing new and uniform equipment throughout and is so arranged that it can easily be expanded up to sixty desks.

An Exchange office, with sales and display facilities, is separated from the main desk spaces, and an experienced secretary-stenographer, familiar with office and warehousing requirements, is in charge to take care of 'phone calls received, office callers, route mail and telegrams, and render every possible assistance to representatives. A checking "in and out" system is used for getting into immediate touch with representatives on emergency calls.

Stenographic and billing work is also available on a fixed hourly charge for service rendered.

A completely furnished conference room is just off the Exchange office. Here representatives may meet their customers or principals and enjoy every facility of a privately maintained office.

Locker rooms for the storage of ordinary amounts of samples and advertising matter are furnished each tenant without extra charge. Warehousing space may be had at tariff rates but this is not a requirement for securing desk space in the Exchange.

Display space, with sales and mail service, forwarding of samples and advertising matter resulting from "keyed" advertising, also are to be furnished to those manufacturers who do not have local representation and wish to establish such a connection, or who wish to maintain a permanent exhibit of their wares for the inspection of customers who are solicited by mail only.

In addition to its service to manufacturers' representatives, the Northwest has introduced a "Manufacturers' Service Bureau" for the dissemination of information to manufacturers on territory trade conditions, brokers, jobbers, retailers, newspapers, display service and campaign plans, and will have available up-to-date route lists on all trades for the use of detail men. This service will be supplied free of charge to manufacturers contemplating entry into the

northwestern trade area, and likewise will be available to all tenants.

The company "reverses" this service by supplying similar information regarding manufacturers, their products, who handles them, etc., to brokers and jobbers of the Northwest with whom it will maintain direct contact.

This Bureau is in charge of men who have had wide experience in both merchandising and warehousing of various lines of merchandise.

"A 'specialized' service is what most manufacturers want, but do not always get, and the Northwest is not letting the warehouse spider spin any cobwebs over its doors. It gives just that service and then *personalizes* it," according to E. W. Stimble on behalf of the company.

The business-seeking warehouseman tells his service story every year in the Warehouse Directory. He deserves your shipment in return.

Brown Buys National

The entire outstanding stock, good will and other assets of the National Warehouse Co., Inc., New York City, have been purchased by Benjamin Brown, president of the National Freight Forward Co., household goods and automobile carload consolidators via steamship from New York to Pacific Coast points by way of the Panama Canal.

Mr. Brown has become sole owner also of the Standard Storage, 148-150 West 90th Street, New York. The Standard plant contains 30,000 square feet of floor space for storage of household goods.

The National's building, at 146 West 90th Street, will be used as a receiving station for household goods, to accommodate warehousemen shipping through the forwarding company.

Philadelphia Blaze

Fire of undetermined origin wrecked the third floor of the storage building plant of the Northern Storage & Warehouse Co., at 11th and Sigel Streets, Philadelphia, early in the morning of March 4. Water damaged goods on the first and second floors. The loss was estimated at between \$40,000 and \$50,000.

Texas City Plant Planned

A million-dollar building program decided upon by the directors of the Texas City (Tex.) Terminal Railway Co. on March 6 includes construction of a fireproof warehouse and the installation of sprinkler system in the company's present storage plants. Pier B., destroyed by fire last August, will be replaced.

Consult the annual Warehouse Directory when making shipments. In no other book can be found information so comprehensive.

Bill in Congress to Require Tobacco Storage Statistics

Distribution and Warehousing's
Washington Bureau,
1163 National Press Building.

THE House of Representatives has passed the Gilbert tobacco statistics bill which requires that all warehousemen submit to the Government quarterly sworn statements of the quantity of tobacco in storage, under penalty of fine or imprisonment.

The measure was before the Senate in March, and, as it is not in conflict with the President's financial program and carries the approval of the Department of Agriculture and Department of Commerce, the two Departments affected, it is expected to be enacted into law.

Not only warehousemen, but dealers, manufacturers, growers' cooperative associations, brokers, holders or owners—in fact every handler of tobacco except the original grower—would be required to submit quarterly reports.

The present law requiring statistics, passed in 1912, has been held to be of no advantage to either growers, manufacturers or consumers. According to Representative Ralph Gilbert, Kentucky, author of the new measure, the present statute really operates to the disadvantage of the grower, in that quantities of tobacco unfit for manufacture have been stored and kept from year to year for the purpose of showing a large surplus on hand, when, as a matter of fact, much of it is worthless for consumption.

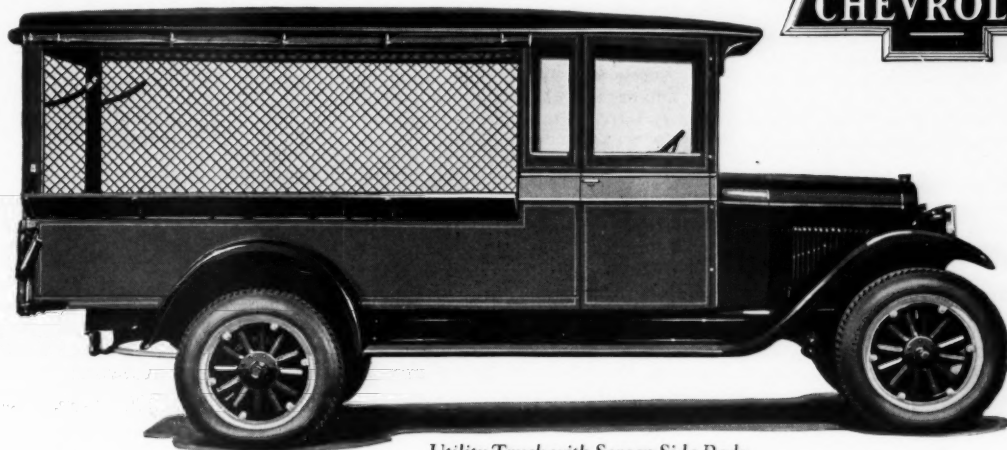
Under the existing law, which would be repealed by the Gilbert bill, tobacco statistics are collected and published by the Bureau of the Census. The bill transfers this activity to the Department of Agriculture, which already collects much data on tobacco. The Bureau of Census has not objected to being relieved of the responsibility.

Reports which would be required from warehousemen and others under the Gilbert bill would show the quantity of tobacco on hand as to types and groups of grades in addition to showing stocks of the past four years, including the production of the year of the report. Official reports would be issued by the Secretary of Agriculture on Jan. 1, April 1, July 1 and Oct. 1 of each year, but the handlers of tobacco would be compelled to make their reports to the Department ten days after each issue date.

These reports made to the Department would be on blanks furnished for that purpose. The information would have to be sworn to by any person or an officer of a corporation required to make the report. A fine of between \$300 and \$1,000 or imprisonment for one year, or both, may be imposed on any person or corporation official who failed to make a report at the proper time or who wilfully gave answers which were false or misleading.

The bill also gives the Secretary of Agriculture authority to establish standards for the classification of tobacco as to types and groups of grades.

—P. G. L.



Utility Truck with Screen Side Body

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This price now includes
30 x 5 balloon tires on all
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The outstanding dependability and economy of Chevrolet trucks have been proved by millions of miles of testing on the roads of the General Motors Proving Ground—and by millions of miles of usage in the hands of owners in every line of business!

Fast, rugged and dependable...and amazingly economical in their consumption of gasoline and oil—Chevrolet trucks have repeatedly demonstrated

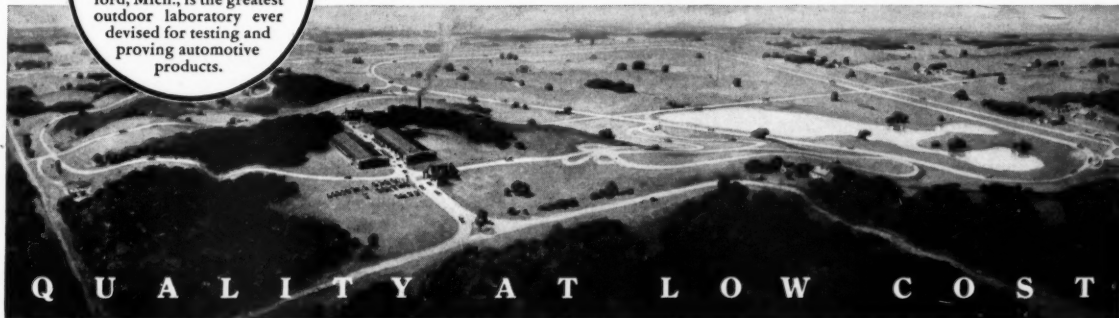
their ability to provide the world's lowest ton-mile cost. Distributors and Warehousemen all over the country have learned by actual experience that Chevrolet trucks meet their strenuous needs perfectly—and with outstanding economy.

Your Chevrolet dealer can provide a body type designed especially for your business. See him today and arrange for a trial-load demonstration.

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Q U A L I T Y A T L O W C O S T

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Alvin E. Dodd Resigns as Chamber Distribution Head

ALVIN E. DODD, for six years manager of the Domestic Distribution Department of the Chamber of Commerce of the United States, has resigned to become a marketing advisor "in the application of business facts to the reduction of distribution costs," in association with E. M. West, New York. Their office is at 11 West Forty-second Street, New York City.

Mr. Dodd will act also as director-general of the newly organized Wholesale Dry Goods Association of the United States, which has headquarters in New York, and which will hold its first meeting on April 24-26 in St. Louis.

As manager of the national Chamber's Domestic Distribution Department and chief inspiration of two national conferences on economical distribution, Mr. Dodd has made a distinguished record. He has been active in advancing the ideal of a smoother and more economical passage of the nation's merchandise from producers to consumers.

It was largely through Mr. Dodd's efforts several years ago that the American Warehousemen's Association established with the United States Department of Commerce the friendly contact that led to the adoption of uniform forms and the standard terms and conditions and eventually to the compilation of statistics of goods in storage (see page 7).

As executive secretary and director of the National Distribution Conference—an inquiry into methods and costs, held in Washington in 1925—Mr. Dodd supervised the activities of six special committees which made exhaustive reports on the different phases of national distribution. Since the conference he has been closely connected with two important programs which grew out of its work: (1) a census of distribution, to secure complete and detailed facts on retail and wholesale trade, and (2) improvement of trade relations among all classes of distributors.

It was at Mr. Dodd's suggestion that the national Chamber sponsored the National Wholesale Conference held in February. Frank discussion of the present status and the future of wholesaling resulted in a better understanding of the problems now facing wholesalers and cleared the way for detailed study of these problems by conference groups.

Looking Ahead

In a statement made to *Distribution and Warehousing* Mr. Dodd says:

"If the distributive flow of the nation's goods is to be uniformly smooth and economical there are big tasks ahead. Condensed in a few words, they are (1) to reduce the cost of distributing merchandise, and (2) to coordinate the major and interdependent industrial processes—production, distribution and consumption.

"That is a bare statement of a large economic program. It entails the discovery of new business facts—on individual operations and on distribution as a

whole—and their utilization in orderly marketing. It means that, through a close study of costs, the spread between producer and consumer will be reduced steadily as distribution becomes more certain and efficient.

"Efforts to measure consumption, allocate reserve stocks, gage their rate of flow, accelerate their movements, simplify and organize handling in economical units—all are steps that eventually must evolve a new distributive fabric."

Mr. West, associated with Mr. Dodd in the new work, has served as an advisor to the Domestic Distribution Department for the past few years, as well as with many other agencies engaged with the same problem, while doing basic work in analyzing and organizing data on which to reconstruct business policies. In collaboration they plan to serve those who need help on specific problems, while forwarding the whole movement of coordinating distributive agencies.

Illinois Gas Tax Held Unconstitutional

THE Illinois State Supreme Court on Feb. 24 declared unconstitutional the 2-cents-a-gallon gasoline tax which since last August had been bringing in a revenue of \$700,000 to \$1,000,000 a month from motorists to the State.

While the law provided only a 2-cent tax, the levy in effect became 3 cents, as fuel companies generally added an extra cent to defray the cost of collecting and turning over to the State.

The Court's decision was on a test case carried up by the Chicago Motor Club, which began its fight against the tax even before introduction of the bill which Governor Small sponsored through the Legislature last year.

Calgary Company Expands

The Johnston Storage & Cartage Co., Ltd., Calgary, Canada, has purchased the entire issued stock of the Security Cartage & Storage Co., Ltd., also of Calgary.

T. Harold O'Neil, manager of the Security since the recent death of his father, has retired from the firm. E. J. McConnell of the Security company becomes accountant for the Johnston interests. The general management of the combined business is under Fred Johnston, president of the company which bears his name.

New York Dock Gain

The New York Dock Co. reports a net income of \$56,776 for January against \$56,189 for the same month in 1927. This is a gain of \$587.

Total revenues amounted to \$300,450, a gain of \$8,768. Net operating revenues totaled \$143,580, a decline of \$10,772.

Activities of Executives in and Out of the Industry

PHIL DE C. BALL, a member of the advisory committee of the Judson Freight Forwarding Co., has been made a director of the B. F. Mahoney Aircraft Co., manufacturers of the Ryan monoplane, of which Lindberg's Spirit of St. Louis is one example. Mr. Ball is owner of the American League baseball club representing St. Louis.

Charles C. Daniel, president of the Central Storage Co., Kansas City, was recently elected a director of the Business District League of that city.

Col. P. L. Gerhardt, vice-president of the Bush Terminal Co., New York, sailed for Europe following the annual convention of the American Warehousemen's Association, which he attended, in French Lick, Ind.

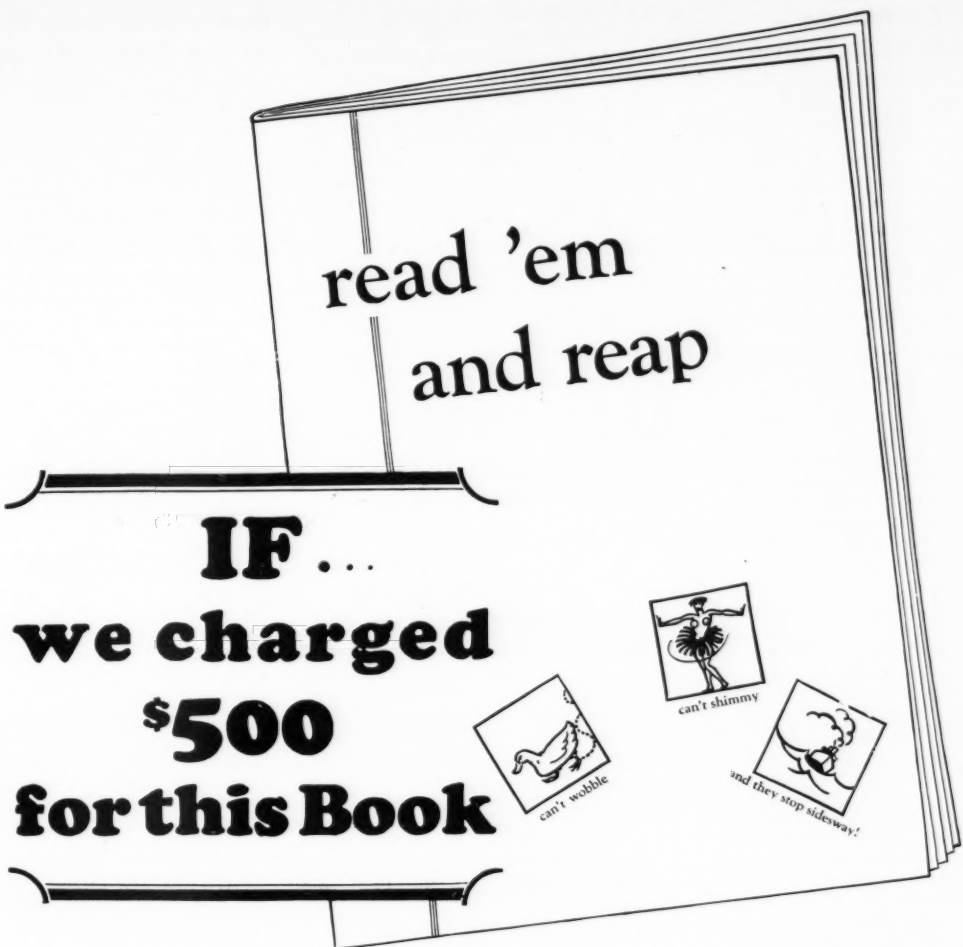
Charles Milbauer, formerly New York representative of the Trans-Continental Freight Co. and later identified with the Shupe Terminal Corp., Kearny, N. J., has been elected vice-president and general manager of the Hoboken Manufacturers' Railroad Co., Hoboken, N. J. The road is the belt line which connects the trunk line railroads, steamship piers and industrial establishments along Hoboken's waterfront.

Gardner Poole, president of the Quincy Market Cold Storage & Warehouse Co., Boston, has been designated by the Department of State as one of six delegates to represent the United States at the International Congress of Refrigeration in Rome, April 19-25. Secretary of Commerce Hoover has requested him to be the Department of Commerce official observer. Mr. Poole is a past general president of the American Warehousemen's Association and is president of the American's cold storage division. He and Mrs. Poole sailed for Rome on March 16, and three days later Mr. Poole was nominated, without any opposition, as the coming president of the Rotary Club of Boston. The election takes place April 11 while he is abroad.

Ralph C. Stokell has been appointed general manager of the National Cold Storage Co., Inc., New York City and Jersey City, to fill the vacancy caused by the recent death of Eugene W. Lewis. Mr. Stokell assumed his new position after resigning as executive secretary of the cold storage division of the American Warehousemen's Association.

Walter E. Sweeting, president of the Atlas Storage Warehouse Co., Philadelphia, has resigned as vice-president of the Big 4 Transfer Co., Inc., and now has no personal connection with the Big 4.

Harry H. Wiggin, president of Wiggin Terminals, Inc., Boston, has been elected to membership in the Boston Real Estate Exchange.



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and reap

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we charged
\$500
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WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Intercoastal Conference Extends Split Deliveries

FOLLOWING the establishment by the steamship lines of the United States Steel Corporation of the split delivery system, the United States Intercoastal Conference announced in March that in future it would permit deliveries on any number of bills of lading. Inasmuch as the Conference comprises the majority of the steamship lines in the intercoastal trade the announcement is of considerable importance to distributors and warehousemen at all ports on both sides of the country.

The announcement, which was sent out by C. A. Torrence, secretary of the Conference, reads in part:

The announcement is now permissible to issue more than one bill of lading to a terminal port in connection with carload shipments which are split delivered between terminal ports, this change to be applicable to shipments loaded aboard steamer sailing from last port of loading on and after February 25."

The steamship lines of the Steel Corporation inaugurated the split-delivery system on the Pacific Coast. The corporation never has been a member of the intercoastal conference, although it has agreed to maintain conference rates. The split-delivery system went into effect several months ago, but the conference lines now have gone the steel steamers one better by permitting this system to apply to any number of shipments at any port of discharge.

Under the split-delivery system, the consignee can get the carload rate, even though shipments be less than carload lots.

It is generally believed that any concessions made by the Conference lines will be met at once by the steel corporation's ships.

The Conference feels, according to a member prominent on the Pacific Coast, that in view of the action of the Steel Corporation lines in starting the split-delivery system, all the Conference lines are justified in increasing the split deliveries to terms that may be asked by shippers, regardless of the fact that the split-delivery system has been taken to the Shipping Board by interested parties.

The Shipping Board, which has jurisdiction over this situation, is expected to hold a hearing on the subject and hand down a decision as to whether the split delivery system will be permitted on intercoastal steamers.

Oil Anti-Substitution Law

The legislatures of New York, Virginia and South Carolina thus far have passed the American Fair Trade Association model anti-substitution Act designed to protect motorists from fraudulent substitution in the sale of lubricating oils and gasoline. The Association reports that the new law took effect in South Carolina on March 1 and that the New York law, which has been consid-

by Gov. Smith, will take effect on Sept. 1. In Virginia the bill had passed both Houses in March and was awaiting the governor's signature.

The same measure has been introduced this year in Rhode Island, Kentucky, Mississippi and New Jersey. It passed the lower House in Mississippi and has been favorably reported by the committee in charge to the New Jersey Assembly.

The introduction of the statute in these States followed a campaign against fraudulent motor oil substitution which the American Fair Trade Association has been carrying on for nearly two years all over the country. The purpose of the statute is to facilitate the prosecution of service station owners and employees charged with defrauding customers by substituting, without the customer's knowledge, unidentified oils and gasolines in place of well known brands called for by the motorist.

Bush Terminal Co. Earned a Higher Profit in 1927

THE report, issued on March 20, of the Bush Terminal Co., New York, for 1927 shows a net profit of \$1,929,123 after interest, depreciation, Federal taxes and other charges, equal after deducting preferred and debenture dividends to \$5.34 a share earned on 153,219 shares of no par common stock. This compares with \$1,786,076, or \$4.90 a share, on 137,776 shares in 1926.

The 1927 gross earnings were \$8,979,582, against \$9,126,157 in 1926, and operating profit was \$3,339,906, against \$3,201,800, due to lower expenses.

The surplus after dividends was \$742,355, against \$675,865, although no common dividends were paid in 1926.

The directors at a recent meeting authorized submission to stockholders, at the annual meeting scheduled for April 2, of a proposal to increase the capital stock from 250,000 to 500,000 no par common shares. The additional stock would not be issued immediately.

The directors declared the regular quarterly dividends of 50 cents in cash and 1½ per cent on the common stock, payable April 16, and 1¼ per cent on the 7 per cent debentures, payable April 2.

Trade Literature

The Solvay Sales Corporation, 40 Rector Street, New York, has issued a pamphlet, "Solvay Calcium Chloride, The Safe Brine Medium," which is of interest to warehouse operators. The chemical solution treated in the booklet is effective in fighting fire.

The Chisholm-Moore Manufacturing Co., Cleveland, has issued a catalog which is a handy and complete manual on the subject of electric hoists. This is Bulletin 31 of a series of material handling documents being prepared and published by the company.

Smith Takes Over Management of Lee Terminal Corp., Tampa

SIDNEY A. SMITH, vice-president of the Currier-Lee Warehouse Co., Chicago, which operates also the Lee Terminal & Warehouse Corp. in Tampa, Fla., has gone to Tampa to take over the management of the Lee interests there. The president of both companies is J. Edgar Lee, president of the American Warehousemen's Association.

As part of his new work Mr. Smith has opened a household goods branch of the Lee terminal.

Outlining the situation, Mr. Smith said:

"We established the warehouse in Tampa three years ago and built a modern reinforced concrete structure. Mr. Lee was here during the period of construction most of the time. Business has gone along fairly well here and we have been satisfied with the returns but we have felt that there was a great opportunity for expanding our business and we firmly believe that Tampa will show a remarkable growth during the next ten years. It has more than doubled in population in the past five years, and immediately surrounding it are the best agricultural and mining lands in Florida. Within a radius of a hundred miles of Tampa is about two-thirds of the population of the entire State.

"These facts, of course, make us enthusiastic about the outlook here and we believe that if there is someone right on the ground to handle the situation we can make our business increase very satisfactorily.

"We are just adding household goods storage and will put in complete equipment to handle it properly."

Mr. Smith attended the Hollywood, Fla., convention of the National Furniture Warehousemen's Association in January and the Lee company has applied for membership in the National. The firm is already a member of the merchandise division of the American and is a member of the Southern Warehousemen's Association.

New York Dock to Borrow

The New York Dock Co. is soon to finance extensive improvements by an offering of \$10,000,000 notes through interests headed by A. B. Leach & Co. and Halsey, Stuart & Co. This, the first public financing by New York Dock in twenty-seven years, will be used to pay for a 10-story factory building nearing completion, and for other purposes.

After the new financing, the balance sheet, as of Nov. 30, 1927, shows net tangible assets of \$42,691,000, after liabilities other than funded debt, or a ratio of tangible assets to the \$22,500,000 of funded debt to be outstanding, including the new issue, of nearly two to one. The company has paid 5 per cent dividends for ten years on its preferred stock.

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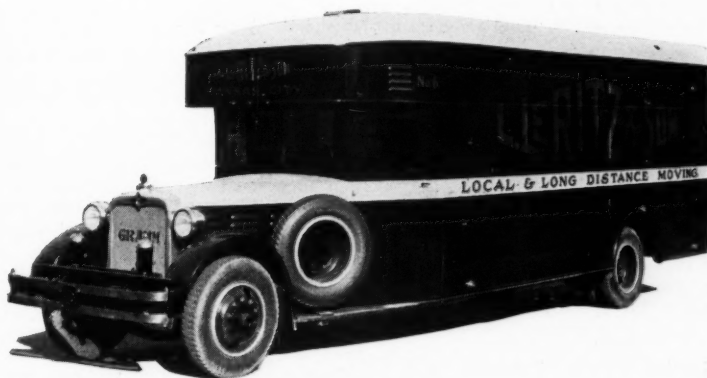
Read!

"So far we have only the highest commendation for the performance of this truck, and have no reason to believe but what it will continue to back up the reputation your company has made for themselves," writes Mr. S. C. Blackburn, President of the A.B.C. Warehouse Company, Kansas City, Mo.

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Alabama

TALLAPOOSA—Farmers' Warehouse & Storage Co. has been sold to Samuel P. Kennedy, Anniston, and T. G. Holt, Talladega, whose expansion plans include erection of a cold storage warehouse.

Birmingham—Warrior River Terminal Co. has approved plans for an addition to its warehouse and dock properties, to cost \$40,000.

California

Hollister—National Ice & Cold Storage Co. has acquired property, 75 by 240 feet, and plans early construction of an \$85,000 cold storage warehouse and ice plant.

Los Angeles—Los Angeles Warehouse Co. is building a \$25,000 1-story brick storage plant, 60 by 160 feet, at San Pedro and Commercial Streets.

Richmond—Parr Terminal Co. has completed plans for a 1-story warehouse and distributing building, 150 by 800 feet, and an 800-foot wharf, on property leased from the city, the project to cost \$450,000.

San Francisco—Southern Pacific Railroad Co. has plans for a \$15,000 1-story warehouse on Third Street near Townsend Street.

Suisan—Southern Pacific Railroad Co. is planning a \$25,000 1-story fruit storage building.

Florida

Jacksonville—American Fruit Dispatch Co. is considering plans for an \$80,000 cold storage warehouse.

Miami—John E. Withers Transfer & Storage Co., Inc., has increased its capital stock to \$200,000 from \$25,000.

Pensacola—Uriah Ice & Gin Co. is considering plans for a \$100,000 cold storage warehouse and ice plant.

Illinois

Chicago—Produce Terminal Cold Storage Co., recently organized, is planning a \$1,000,000 11-story cold storage warehouse at Fifteenth Place and Thropp Street.

Galesburg—Chicago, Burlington & Quincy Railroad Co. will spend \$75,000 extending and improving its Murrayville Yard cold storage warehouse and ice plant.

Indiana

New Albany—Hoosier Transit Co. has leased a building which it will operate as a warehouse.

Terre Haute—Terre Haute Union Transfer & Storage has added a sixth International motor truck to its fleet.

Iowa

Cedar Rapids—Lynch Transfer & Storage Co. plans to erect a \$50,000 addition to its warehouse on South Second Street.

Maryland

Baltimore—C. Hoffberger Co., operating cold storage and ice plants, has filed plans for an \$850,000 11-story cold storage warehouse.

Massachusetts

Boston—King Terminal, South Boston, has leased two floors in its building No. 7 to the Hixon Electric Co.

Boston—Wiggin Terminals, Inc., has leased three sections of its Terminal Street warehouse as follows: To Armad Co., three floors for assembling and shipping radio sets; National Battery Co., one floor for servicing and storing motor car and radio batteries; Merrill-Pullman Co., two floors for sash and blind distribution.

Brockton—Brockton Ice & Coal Co. is having plans drawn for a \$75,000 1-story cold storage warehouse and ice plant, 80 by 150 feet, on Lawrence Street.

Springfield—Atlantic States Warehouse & Cold Storage Corp. has leased an office, showroom and cooler of 20-car capacity to Dillon & Douglas, Inc., and a showroom and cooler of 10-car capacity to Lazelle & Co. The leasers are butter, egg, cheese and poultry concerns.

Michigan

Ann Arbor—Leslie Cartage Co. has purchased for \$75,000 the storage and trucking business formerly operated at the Riverside Moving Vans.

Detroit—Karp Brothers Coal & Ice Co. has plans for a \$100,000 1-story cold storage warehouse and ice plant, 50 by 185 feet, on Gratiot Avenue.

Minnesota

Minneapolis—Murphy Transfer & Storage Co. has plans for improvements and alterations in one of its warehouses at a cost of \$18,000.

Minneapolis—Northwest Warehousing Co. has opened a Manufacturers' Exchange to render specialized service to manufacturers' representatives operating in the Northwest.

Missouri

St. Louis—Valentine Warehouse Co. is reported planning rebuilding its South First Street warehouse which, leased to tenants, was recently partly destroyed by fire.

New Jersey

Camden—Camden Storage Warehouse Co. has been granted a permit to erect a \$1,400,000 9-story warehouse, 103 by 283 feet, on Front Street.

Trenton—Prospect Warehouses, Inc., has installed a double automatic sprinkler system supervised by the American District Telegraph Co. and has reduced to 25½ cents per \$100 its insurance rate on merchandise stored.

New York

Brooklyn—Sunshine Storage & Warehouse Co. has disposed of its warehouse at Bedford Avenue and Carroll Street to a holding corporation, which will raze the structure to make way for an apartment house.

Buffalo—New York, New Haven & Hartford Railroad Co. is building a 1-story warehouse and freight structure at 50 River Street.

East Williamson—Wayne Cold Stor-

(Concluded on page 70)

New Incorporations Within the Industry

California

LONG BEACH—Lamb Transfer Co., 637 Atlantic Avenue. Organizers, B. W. Lamb and C. J. Lamb.

Los Angeles—Walker Van & Storage Co., 1232 West Jefferson Boulevard. Organizer, Ralph L. Walker.

Pasadena—Sierra Storage & Van Co. Storage warehouse and moving vans. Capital, \$200,000. Incorporators, R. C. Merryman and Joseph A. Andrew.

Illinois

Chicago—Goodman Furniture & Storage Co. Storage warehousing, trucking and van service, etc. Capital, 100 shares of stock, no par value. Incorporators, John W. Morsbach, Joseph H. Goodman and Harold R. Langer.

Chicago—Guaranteed Bonded Shops, Inc. Warehousing. Capital, \$3,000. Incorporators, Thomas P. Octigan, S. O. Simons and L. H. Octigan.

Chicago—North American Cold Storage Co. Storage, cold storage, warehousing, refrigeration, freezing, etc. Capitalization, \$500,000.

Decatur—Decatur Warehouse Co., established in 1927. Storage warehousing. Capital, \$30,000. Incorporators, James M. Allen and R. C. Shumate.

Peoria—National Warehouse Co., established in 1920. Storage warehouse. Capital, \$50,000. Incorporators, John W. Bushell, Jr., William D. Brennan and Frank H. Hawk.

Louisiana

New Orleans—Glacier Ice Co., Inc. Cold Storage warehouse and ice plant. Capital, \$60,000. H. G. Dieterich is secretary.

Maryland

Baltimore—Southern Stores Ice Corp. Cold store warehouse and ice plant. Capital, \$50,000. Incorporators, R. D. Watkins and Huntington Cairns.

Michigan

Detroit—White Star Moving & Storage Co. Storage warehousing and moving van service. Capital, \$25,000. Incorporators, Adrian McComb, Melvin Francis and Elsie Francis.

River Rouge, Detroit—Nicholson Terminal & Dock Co. Storage warehouse, terminal, etc. Capital, \$750,000. Incorporators, Sherwin A. Hill, M. B. MacPherson and William F. Deane.

Massachusetts

Boston—Cosmopolitan Transfer Co. Transfer and trucking. Capital, \$50,000. Frank Andolino is president and Paul Andolino is treasurer.

New Jersey

Clifton—Passaic Forwarding Co. Transfer and trucking. Capital, \$125,000. Incorporators, Lloyd Young and William Mittenbuhler.

Tenafly—General Service Corp. Stor-

(Concluded on page 70)

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Construction, Removals, Purchases and Changes

(Concluded from page 68)

age Co. has filed notice of increase in capital from \$100,000 to 1000 shares of stock of no par value.

New York City—A. Plocissi heads a project to build and operate a \$335,000 warehouse at Third Avenue and 189th Street.

New York City—Fur Merchants Cold Storage Co., Inc., has plans maturing for a \$325,000 10-story addition to its West Twenty-eighth Street warehouse.

New York City—Jerome Storage Co. is planning to erect a \$90,000 8-story addition.

New York City—Judson Freight Forwarding Co. has removed from 82 Beaver Street to larger quarters at 100 Broad Street and 36 Bridge Street, in the Bush Terminal Building.

Ohio

Toledo—Nickel Plate Railroad Co. has completed plans for a \$30,000 1-story warehouse at Erie and Tecumseh Streets.

Pennsylvania

Jeannette—Frank Levine heads a project to construct and operate a \$65,000 3-story furniture storage warehouse.

Philadelphia—Quaker City Cold Storage Co. has received bids on revised plans for its proposed \$1,000,000 11-story and basement cold storage warehouse, 110 by 130 feet, on South Delaware Avenue.

Rhode Island

Providence—Greens, Inc., household goods warehousemen, has removed to 324 Broad Street from 348 Broad Street.

Providence—New York, New Haven & Hartford Railroad Co. is planning to spend \$400,000 extending and improving the waterfront, including rebuilding the storage plant formerly occupied by the Merchants & Miners' Transportation Co.

South Carolina

Sumter—Banner Warehouse Co. is planning early rebuilding of the portion of its buildings recently wrecked by fire with an estimated loss of \$30,000.

Tennessee

Knoxville—Rowe Transfer & Storage Co. has remodeled its warehouse at 416-426 Broadway.

Memphis—Price Warehouse & Distributing Co. has plans for a \$100,000 addition to contain about 80,000 square feet of floor space.

Texas

Brownsville—Valley Bonded Warehouse Co., recently organized with a capital of \$70,000, has plans for a \$100,000 multi-story warehouse.

Galveston—Gulf Transfer Co. has filed notice of increase in capital to \$100,000 from \$50,000.

Houston—Manchester Terminal Corp. will spend \$40,000 extending its terminal buildings.

Odessa—Southern Ice & Utilities has plans for a \$50,000 cold storage warehouse and ice plant.

San Benito—National Warehouse Association is reported to have engaged a Chicago architect to prepare plans for a warehouse.

Washington

Wenatchee—Western Cold Storage Co. has authorized plans for a \$500,000 building program to include a 5-story cold storage warehouse, power house and refrigerating plant, the warehouse to be 200 by 300 feet and to have 2,700,000 cubic feet of space.

Wisconsin

Appleton—Chicago & Northwestern Railway Co. is erecting a \$150,000 2-story warehouse and freight building, 40 by 220 feet.

Beaver Dam—Dowe Transfer Co. has been granted a franchise by the State Railroad Commission to operate a motor freight line between Milwaukee and Beaver Dam and intermediate points.

La Crosse—La Crosse and South-eastern Transportation Co. has increased its capital stock to \$100,000 from \$25,000.

Milwaukee—Chicago, Milwaukee, St. Paul & Pacific Railroad Co. has awarded a contract for a \$60,000 2-story warehouse and freight terminal on Thirty-first Street near Wright Street.

Milwaukee—Terminal Warehouse Co. plans to spend \$1,000,000 building a storage warehouse and docks. The warehouse, to contain 18 store fronts, will be 5 stories high, 323 by 420 feet.

Effects of Expedited Rail Service on Storage Industry

(Concluded from page 10)

40 per cent, based upon 1920, one can readily estimate the millions of dollars that may be termed as saved annually in interest alone on goods in transit.

The Chain Store

"Chain warehouse distribution" is probably a development that will be the answer to hand-to-mouth buying. We have heard a great deal of chain store distribution. If the chain store competitor can purchase his goods through a distribution warehouse, direct from the manufacturer, he is placed in a good position for competition.

So one may say that the primary effect of the expedited rail service on the warehouse industry has been to tend to eliminate the middleman serving the producer and retailer and to allow direct sale from the producer to the retailer; while the secondary effect has been to use the distribution merchandise warehouse as the means of supply of staple commodities in transit from the producer to the retailer, placing the retailer in a good competitive position and at the same time utilizing to the best advantage the real economic services offered by the merchandise warehouse. This development should increase.

New Incorporations Within the Industry

(Concluded from page 68)

age warehousing. Capital, \$100,000. Incorporators, LeRoy Vanderburgh, Fred-eric B. Colver and Alexander Fell.

New York

Jackson Heights—Jackson Heights Storage Corp. Storage warehouse and transfer. Capital, \$10,000. Incorporator, E. A. Welti.

New York City—Alvin Storage & Warehouse Co. Storage warehousing. Capital, \$10,000. Incorporator, Benjamin Antin.

New York City—Knickerbocker Forwarding Co. Transfer and express. Capital, 100 shares of stock, no par value.

New York City—Milt Trucking & Forwarding Corp. Transfer and trucking. Capital, \$5,000. Principal incorporator, R. B. Shemitz.

New York City—Whale Creek Storage Corp. Storage warehousing.

Ohio

Dayton—Good Transportation & Storage Co. Storage and transfer business. Capital, 250 shares of no par value common stock. Incorporators, S. A. Goss, W. S. Rhotehamel and L. Edgar Owendorf.

East Cleveland—East Cleveland Trucking Co. General storage, trucking and haulage business. Capital, \$25,000. Incorporators, B. M. Mulicer, J. E. Griffith and May L. Eroskey.

Steubenville—Jefferson Storage & Warehouse Co. General storage, warehousing, transfer, haulage. Capital, \$35,000. Incorporators, John C. Fitzsimmons, James B. Fitzsimmons and Peter E. Brady.

Pennsylvania

Philadelphia—Lincoln Furniture Warehouses. Notice of organization filed. Storage warehousing. Henry C. Curtis heads the company.

Texas

San Antonio—South Texas Warehouse Co. Cold storage warehouse and ice plant. Capital, \$25,000. Principal incorporator, W. B. Tuttle.

Virginia

Norfolk—Truckers, Ice & Cold Storage Corp. Cold storage warehouse and ice plant. Capital, \$100,000. Incorporators, L. D. Churchill and W. R. Ashburn.

Wisconsin

Milwaukee—Tewes Ice & Coal Co. Cold storage warehouse, etc. Capital, \$25,000. Incorporators, Fred Schmalfeldt and Edward Tewes.

Sheboygan—Edwards Motor Transportation Co. General moving and transport business. Organized by M. N. Rein and G. T. Edwards.

Washburn—Washburn Equity Warehouse Association. Storage warehousing. Capital not stated. Incorporators, Henry T. J. Cramer and E. R. Letzner.